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## LATIN AMERICA REPORT

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## CONTENTS

## ENERGY ECONOMICS

## BRAZIL

Petrobras Import Reduction Goal Set at 550,000 B/D (O ESTADO DE SAO PAULO, 26 Feb 83) .....	1
Oil Price Decline Triggers Petrobras Import Policy Change (O ESTADO DE SAO PAULO, 27 Jan 83) .....	3

## MEXICO

Pajaritos Oil-Exporting Capacity Increased (EXCELSIOR, 28 Jan 83) .....	5
--	---

## COUNTRY SECTION

## INTER-AMERICAN AFFAIRS

Caribbean Workers Committee Issues Statement (TRABAJADORES, 7 Jan 83) .....	6
Briefs Honduras-Guatemala Trade Treaty Extended	12

## BRAZIL

Planalto Palace Formulates Strategy for 'Debtors Bloc' (Carlos Chagas; O ESTADO DE SAO PAULO, 17 Feb 83) .....	13
Problems Within Figueiredo Administration Analyzed (Carlos Chagas; O ESTADO DE SAO PAULO, 20 Feb 83) .....	15
Discord Between Figueiredo, Political Opponents Escalates (Carlos Chagas; O ESTADO DE SAO PAULO, 29 Jan 83) .....	22

MIC Officials in Brussels To Discuss Upcoming ISO Meeting (O ESTADO DE SAO PAULO, 18 Feb 83) .....	26
Union Leaders Threaten Strike, Want Economic Team Ousted (O ESTADO DE SAO PAULO, 24 Feb 83) .....	27
IBC Head Forecasts 70 Percent Increase for Coffee Crop (JORNAL DO BRASIL, 10 Feb 83) .....	30
Coffee Producers Propose Changes in Export Policy (O ESTADO DE SAO PAULO, 26 Feb 83) .....	31
Current IEA Forecast Confirms Pessimistic Crop Projections (O ESTADO DE SAO PAULO, 26 Feb 83) .....	33
CMN Approves 30 Percent Export Tax on Commodities (O ESTADO DE SAO PAULO, 19 Feb 83) .....	35
First Titanium Concentrate Plant To Begin Operations (O GLOBO, 7 Feb 83) .....	37
Move of IMBEL Headquarters Site to Sao Paulo Explained (CORREIO BRAZILIENSE, 13 Feb 83) .....	39
Multiple Rocket Launcher, Tank, Minesweeper To Be Produced (O ESTADO DE SAO PAULO, various dates) .....	41
Multiple Rocket Launcher, by Roberto Godoy ENGESA Announces New Medium Tank, by Roberto Godoy Minesweeper, Antimissile Gun, Submarine	
Possibility of AVIBRAS Missile Plant in Parana Discussed (O ESTADO DE SAO PAULO, 8 Feb 83) .....	50
Briefs	
New SNI Branch Chiefs	51
Sao Paulo Grain Crop Drop	51

#### CUBA

Support for PCC Plenum Resolution Continues (TRABAJADORES, various dates) .....	53
CDR Statement Risquet Speech, by Jorge Risquet	
Flight Training for Air Force Pilots Described (Rolando Pujol; VERDE OLIVO, 3 Feb 83) .....	61
Joint Communique on Almeida's Visit to Mauritius (GRANMA, 19 Jan 83) .....	67



## GUYANA

### Briefs

Sugar Estate Crime	71
GNEC Expansion Program	71
CAIC Assistance	71
Payments To Layed-Off Workers	72
Appeal to Police	72
Chinese Ambassador's Departure	72
No Blackmarketing for Banks	73
Bauxite Security Measures	73
Tractor Parts	74
EEC, ACP Talks Discussed	74

## HONDURAS

Socialist Party Attacks Government, U.S. Roles in C. America (EL NUEVO DIARIO, 3 Feb 83) .....	75
---	----

## MEXICO

PSUM Plenum Decides To Form New Party (EXCELSIOR, various dates) .....	78
Gomez Denies Internal Struggle	
PSUM Congressional Vote Defended	
Backing for Deputies	
Agreement on New Party	
PSUM Deputy Against Unsophisticated Opposition to System (Rene Delgado; UNOMASUNO, 4 Feb 83) .....	85
Archbishop Quintero on Clerical Right To Speak (Francisco Santacruz; EXCELSIOR, 28 Jan 83) .....	87
UOI March Protests High Cost of Living (EXCELSIOR, 6 Feb 83) .....	88
New CT Leader: No Reason for General Strike (Salvador Corro; PROCESO, 14 Feb 83) .....	90
Northern Industries Observing Reduced Workweek (EXCELSIOR, 28 Jan 83) .....	95
Metropolitan Area Cost of Living Raw Data (EL DIA, various dates) .....	97
Medical Care	
Water by the Barrel	
Tomatoes, Other Vegetables	
Beef	
PSUM: Minimum Salary Deficiency	
Cooking Oil	
Egg Prices	
Short-Weight Sales	

Features, Building of Lopez Portillo Family Dwellings Related (Jose Reveles; PROCESO, 31 Jan 83) .....	101
Briefs	
PSUM's Jaramillo Threatens Withdrawal	106
Investigation Into Durazo Property	106
NICARAGUA	
Symposium Held on Political Parties Draft Law (EL NUEVO DIARIO, 27 Jan 83) .....	107
FSLN States Its Position, by Manuel Eugarrrios PLI, PPSC Propose Changes, by Agustin Fuentes	
FDN Leader Chamorro Coronel Discusses Struggle Against Sandinist Regime (Jose Luis Fuentes; LA REPUBLICA, 30 Jan 83) .....	113
PSD's Rudy Ibarra Discusses Political Parties (Rudy Ibarra Interview; LA PRENSA, 27 Jan 83) .....	115
SURINAME	
Planning Director on Foreign Debts, Exports (DE WARE TIJD, 15 Jan 83) .....	118
Career, Views, Influence of Herrenberg Viewed (Sig. W. Wolf; ELSEVIERS MAGAZINE, 5 Feb 83) .....	121
VENEZUELA	
Pinerua, AD Traditional Wing Reportedly Gaining Strength (Sergio D'Ambrosio; RESUMEN, 6 Feb 83) .....	126
Analysts Estimate Unemployment Rate at 11 Percent (ZETA, 13 Feb 83) .....	129

## PETROBRAS IMPORT REDUCTION GOAL SET AT 550,000 B/D

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Feb 83 p 25

[Text] Rio de Janeiro--Paulo Vieira Belloti, acting president of Petrobras, announced in Rio yesterday that Brazil is currently importing 650,000 barrels of oil daily, but the government's goal is to reduce it to 550,000 by the end of the year. This objective can be reached because domestic production in 1983 is expected to be about 400,000 barrels of petroleum and 100,000 barrels of alcohol daily.

The Petrobras investment budget for this year, estimated at 1.3 trillion cruzeiros, will have 80 to 85 percent of its total spent on petroleum exploration and production, with priority given to the Campos Basin, "providing the best return for the nation's economy," according to Paulo Belloti.

Paulo Belloti emphasized that there will be no reduction of funds for production and exploration, mentioning that exploration in Alagoas and Sergipe has been promising. He said exploration in the Jurua region of the Amazon may be reduced after existing reports are reevaluated. Whatever new possibilities arise in the Campos Basin this year "are entirely up to God," Paulo Belloti admitted.

Petroleum exploration and production will have priority, but the overall Petrobras budget, according to Paulo Belloti, will have to be planned in the light of the government's maxidevaluation of the cruzeiro. The company's management has already met with the Special Secretariat for Control of State Enterprises (SEST) to get a better understanding of new funding cuts, with the intention of maintaining resources for normal development of certain activities essential to the nation's economy, such as petroleum exploration and production.

## Loans

The Petrobras acting president reported that, of the company's investments in 1983 (1.3 trillion cruzeiros), \$200 million will be from domestic [sic; foreign?] loans, a much smaller amount than what was borrowed in the international financial market in 1982, which totaled \$680 million.

Regarding petroleum purchases abroad at prices adjusted by some producing and exporting countries, Paulo Belloti asserted that no contract has been signed yet, but this is being worked on. He emphasized that this question of prices has many

variables and the price of petroleum is not fixed by the buyer but by the exporter, such as Saudi Arabia, depending upon the quality and the location of the market.

He pointed out that Brazil buys petroleum on the spot market when the price is right, refining it to sell the derivatives in the markets of Africa and Latin America. Brazil is currently buying the product at \$34 a barrel to assure domestic consumption. In speaking about national stocks of the product, he reported that they are being reduced since last year and will continue so until the end of next year, within a goal for reduction over a 3-year period until it reaches a minimum "safety level," which he would not reveal, under the allegation that it was classified information.

8834

CSO: 4432/76

## OIL PRICE DECLINE TRIGGERS PETROBRAS IMPORT POLICY CHANGE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Jan 83 p 28

[Text] To take advantage of the decline of oil prices on the international market, the Brazilian Petroleum Corporation (PETROBRAS) has decided to radically modify its import policy: from now on, half of the 650,000 barrels imported daily will be purchased by accepting quarterly prices, and the country that offers the lowest prices, longest payment terms and the counter-part import of Brazilian products will win the bid. The other half will be purchased through annual contracts, as PETROBRAS has been doing in recent years.

This information was given in Rio yesterday by the trade director of PETROBRAS, Carlos Sant'Anna, as he announced that he expects an actual oil price reduction of \$2 to \$3 per barrel in the short term although there has not yet been any official communication in that regard by the OPEC suppliers. Thus, according to the PETROBRAS director, the average price of oil purchased by Brazil this year should remain at \$30 per barrel, compared to the official prices of \$32 to \$32.50 FOB.

## Terms

Carlos Sant'Anna revealed also that almost all of Brazil's oil suppliers have already agreed to extending payment terms from 30 days to 180 days (6 months). "Of the 650,000 barrels that we import, about 500,000 barrels are already under this agreement," said the PETROBRAS director, admitting that this term extension will involve financial charges for PETROBRAS, which the company has assessed as below market rates.

At the present time, PETROBRAS has about 20 oil suppliers and not all practice the same price policy. Nevertheless, one can get an idea of the positive impact of that decline of world oil prices from the figures furnished during the interview: each dollar less in the price Brazil pays means a savings of \$240 million annually, that is \$720 million if that drop reaches \$3 per barrel.

## Suppliers Change

Sant'Anna reported also that the profile of PETROBRAS' suppliers may change on the basis of that new policy as certain countries either accept or reject the

conditions set by PETROBRAS, in a favorable trade situation in a frankly sellers' [as published] market. Thus, the present number of oil suppliers may be reduced, giving way to a greater concentration of supply by countries such as Mexico, Nigeria, Ecuador, Venezuela, Algeria and China. The supply from some countries has already been reduced under that policy, as in the case of the Arab Emirates, especially from Qatar, whose 20,000 barrel per day contract is ending.

#### Brazil Profits

Minister of Mines and Energy Cesar Cals said yesterday that the drop in the world oil price caused by the lack of agreement among the members of OPEC could benefit Brazil with a savings of \$1 billion in oil imports this year. "My goal was to reduce imports to \$7 billion but now I believe that that figure will drop to \$6 billion," declared the minister. In 1982, oil imports amounted to \$8.6 billion.

The ministry's adviser for oil affairs, Marcio Nunes, said that by March there should be significant reductions in the world oil price, reaching \$27 per barrel, but from there on the price should become stabilized around \$30 per barrel, which represents \$4 less than the current OPEC benchmark price and \$2 below the average world price. According to Nunes' predictions, the price per barrel should drop to \$27 by March.

8711

CSO: 3324/75

## PAJARITOS OIL-EXPORTING CAPACITY INCREASED

Mexico City EXCELSIOR in Spanish 28 Jan 83 Sec A pp 1, 14

[Text] Mexican Petroleum [PEMEX] has announced that the port of Pajaritos now has the capacity to export up to 1.4 million barrels every 24 hours, since the work to expand that terminal has been completed.

Up until yesterday, the leading crude exporting port on the Coatzacoalcas River could deliver only 900,000 barrels per day.

Exporting is also being carried out from two "monobuoys" opposite the port of Pajaritos itself, in the Gulf of Mexico. One of them has a capacity to load ships with up to 1.75 million barrels of crude; and the other, to load ships with as much as 1.05 million barrels of oil.

At the same time, PEMEX will put another buoy into operation at Rabon Grande, off the coast of Tabasco, which will be able to load ships with over a million barrels of oil (each barrel contains 159 liters).

Insofar as the Pacific Coast is concerned, a buoy is currently in operation off the coast of Salina Cruz, Oaxaca, from which the exporting is done to the east, particularly to Japan.

In an official communique, PEMEX announced that it had completed the lighting and dredging work for the port of Pajaritos; which means that the loading capacity was increased on its four docks, because it will be possible to operate 24 hours a day, and tankers with a larger draft will be accommodated.

In this port, ships are loaded with crude oil, and petroleum and petrochemical products. Until a week ago, at this ocean terminal, it was only possible to carry out regular maneuvers for the entry and departure of vessels by daylight.

The port of Pajaritos is located 4,200 meters from the mouth of the Coatzacoalcas River, on a lake; and the dredging done there will make it possible to speed up the loading of tankers of large tonnage.

The crude storage capacity in the port of Pajaritos is 2.6 million barrels, because it has 13 tanks, each of which can hold 200 barrels. To date, the Mexican crude exports have maintained a rate of 1.5 million barrels per day.

2909

CSO: 3248/557

## CARIBBEAN WORKERS COMMITTEE ISSUES STATEMENT

Havana TRABAJADORES in Spanish: 7 Jan 83 p 4

[Statement issued by the Caribbean Workers Unity and Solidarity Coordinating Committee at Point-a-Pitre, Guadeloupe, on 12 December 1982]

[Text] It denounces the transnational companies' ceaseless plundering of the resources of the countries of Latin America and the Caribbean. It rejects the American administration's slanderous statements about "Soviet, Cuban or Nicaraguan interference" because of the failure of the masses to conform to the system, their rebelliousness and their desire for change. The Coordinating Committee has demonstrated its concern over the belligerent and aggressive policy of the United States.

Meeting in Point-a-Pitre, Guadeloupe, on 12-13 December 1982, the members of the Caribbean Workers Unity and Solidarity Coordinating Committee have extensively discussed the difficult situation the labor and worker organizations of Latin America and the Caribbean are going through, one marked by an ever greater increase in the degree of exploitation, oppression, dependence and underdevelopment imposed by American imperialism with the resulting violations of the labor and human rights of our peoples.

The participants talked about how, by exporting the harmful effects of the capitalist system's crisis to our countries, imperialism has been giving rise to a ceaseless increase in unemployment, poverty and economic backwardness, which has been aggravated even more by the protectionist measures imposed by the American Government on products like sugar and which has resulted in heavy losses to the economies of many countries.

At the meeting it was stated that, with their ceaseless plundering of the resources of the Latin American and Caribbean countries, their monopolization of the trade in various basic products in our countries and the monopolistic control they exercise over technology, the policies of the transnational companies are the direct causes of the impoverishment of the economies of the countries of the area, their underdevelopment and, combined with the effects of the crisis, constitute a decisive factor in the extraordinary growth of the sub-continent's foreign debt, which now amounts to over \$240 billion and which the debtors will never be able to pay off.



At the same time the monopolizing effects of the transnational companies are being strongly felt in international trade, in which sector they exercise direct control over the trade in various products, many of them vital to the economies of the Third World. For example, it was maintained that the transnational companies control from 70 to 75 percent of the trade in bananas, rice, rubber and crude oil, 80 percent of the tin trade, from 85 to 90 percent of the trade in cacao, tobacco, coffee, tea, wheat, cotton, jute and wood and 95 percent of the iron ore and bauxite trades.

Those attending the meeting also expressed their rejection of imperialist credit and financial institutions like the International Monetary Fund (IMF), the World Bank, the Inter-American Development Bank, the International Development Agency and others whose policies produce adverse results for the economies of our countries.

The participants declared themselves against the extortion and blackmail terms imposed on needy countries by the IMF and laid emphasis on the negative results of its programs for our peoples.

The adverse effects of the IMF programs are immediate: Credit demand and activity are reduced; the elimination of price controls does nothing more than redistribute income in favor of the bourgeoisie; government revenues are increased at the expense of surtaxes in areas that affect the poorest segments of the population; the budget deficit is reduced at the expense of programs that involve considerable reductions in expenditures for social services, education and public health. In short, these programs merely contribute to the paralysis of economic growth, lead to higher unemployment rates and depress real wages, all of which contributes to aggravation of the social controversies of the country that is involved.

The members of the Coordinating Committee rejected the slanderous theory of the American administration and its assistants who blame the masses' failure to conform, rebelliousness and desire for change on the "intervention of foreign forces" or "Soviet, Cuban or Nicaraguan interference." In connection with this, the participants noted that the real causes of the just rebelliousness of these peoples lie in the social and economic inequalities, oppression and injustice implicit in the capitalist system itself and denounced this crude fabric of lies that attempts to justify the reinforcement of the blockade and threats and attacks against socialist Cuba and to impede and frustrate the Nicaraguan and Grenadan revolutions while at the same time trying to frustrate the unrestrainable advance and strengthening of the liberation movements in Central America, chiefly those of El Salvador and Guatemala.

Those attending the meeting condemned the Reagan initiative for the Caribbean, describing it as a cruel hoax and a humiliation for our peoples, the real objectives of which are to impose on the governments of the area guarantees and privileges for the investments of American capitalism, increase the Caribbean countries' economic dependence on the United States, strengthen the U.S. presence in the region and above all justify the large amount of military and economic aid with which the U.S. Government is maintaining those dictatorships which, as in El Salvador and Guatemala, are massacring and annihilating the populations of those brother nations.

This claim is even less comprehensible if we take a look at how the \$355 million the U.S. administration has with great pomp and ceremony announced will be distributed:

El Salvador, \$100 million; Costa Rica, \$70 million; Jamaica, \$50 million; the Dominican Republic, \$40 million; Honduras, \$40 million; Haiti, \$10 million; Guatemala, \$11 million; Belize, \$10 million; the countries of the Eastern Caribbean, \$20 million.

The participants also criticized the allocation of \$4 million of this so-called Reagan Plan for the Caribbean to the reactionary American Institute for Free Labor Development (AIFLD), with which the latter would intensify its efforts to penetrate and divert the workers of the area.

The Coordinating Committee discussed and demonstrated its concern over the American administration's belligerent and aggressive policy and criticized the installation of new military bases in Honduras and Haiti as well as the maintenance of those existing in the area.

It also criticized the aid the United States is providing the continent's fascist dictators and energetically declared itself against the carrying out of military maneuvers by U.S. and NATO forces in the Caribbean and against the recent formation of a coastal force in the Eastern Caribbean, all of which tends to involve our countries in the aggressive plans of the imperialists, means a real danger in terms of peace and stability in the region and clearly tends to isolate the Grenadan Revolution.

As part of this aggressive policy, the U.S. Senate recently passed the so-called Symms Amendment by means of which the American administration appropriates the right to make use of military forces in any Central American or Caribbean country if it deems it to be expedient. This represents a direct threat to Cuba, Nicaragua or Grenada and at the same time serves to justify greater American interference in El Salvador where, at the price of the over 30,000 lives of brave sons that have already been spent, people have been fighting without letup to achieve the inexorable victory which the imperialists, through their direct intervention or the use of Honduran puppet troops, are trying to cheat them out of, rejecting the proposal for a negotiated solution by the governments of France and Mexico.

Participants in its fifth meeting, the representatives of the member organizations of the Coordinating Committee expressed their firm rejection of the Symms Amendment, which represents a direct threat to Cuba, Nicaragua and Grenada and the danger of imperialist intervention in El Salvador or any country in Central America and the Caribbean.

We also express our unlimited solidarity with the heroic people of El Salvador, who at the cost of much humble blood are fighting to the bitter end against the fascist tyranny supported and armed by the imperialists, and we reject the American administration's plans to use forces from neighboring countries in this conflict, which will contribute to its spread throughout the region.

In connection with this, we support the Revolutionary Democratic Front and the Farabundo Marti Front's proposals for a dialogue, which coincide with the governments of France and Mexico's proposals for a negotiated solution.

We also demand the cessation of the regime of persecution, repression and murder that reigns in our brother nation of Guatemala and demand respect for the rights of the people. At the same time we support the Guatemalan patriots who are fighting for their country's freedom.

At the meeting they took note of the precarious situation the working masses and the people of Haiti are going through and expressed their proletarian solidarity with our Haitian brothers who have for years been suffering under a dynastic regime based on a policy of merciless murder, hunger, repression and oppression.

The meeting expressed Caribbean workers' solidarity with their brothers in a free Nicaragua in the face of the serious threats that hang over the land of Sandino's birth. We condemn the preparations for armed aggression against Nicaragua being made by thousands of ex-Somoza guardsmen armed and organized by the imperialist forces and the CIA and by the Honduran Army, which serves as an imperialist spearhead against the young Sandinist revolutionary process.

We participants confirm our anticolonialist vocation and declare ourselves in favor of the self-determination of all the lands in the region that are still under colonial rule.

With respect to Puerto Rico, we declare ourselves for its free self-determination and the transfer of powers so that the workers of the island can in this way freely decide their own future.

We demand the cessation of American military maneuvers, the U.S. Navy's withdrawal from the island of Viequez and the return of three-fourths of the island to the people of Puerto Rico since this endangers the stability of the Caribbean area.

We express our solidarity with the organizations and workers of the region who, in countries like Trinidad, Tobago, Belize, Jamaica, Barbados, St. Lucia, St. Vincent and others, are tirelessly fighting for their just demands and labor and social rights.

Those attending the meeting agreed with the declaration issued at the CARICOM [Caribbean Common Market] Summit Conference held in Ocho Rios, Jamaica, as concerns national and regional sovereignty, human rights and the Caribbean as a peace zone.

At the meeting they condemned imperialism and the reactionary forces that carried out a destabilization plan in Suriname for the purpose of reversing the progress of the revolutionary process being conducted in that country.

The participants also condemn the subversive activities of the multinational Texaco Company, which is eroding the economy of Trinidad and Tobago and reducing the volume of oil production, and declare themselves in favor of nationalization of the oil industry.

At the meeting they emphasized the importance of the unity of the workers and their labor organizations in the context of the tough struggles our common enemy imposes on us and stressed the necessity of intensifying even more our effort in the Coordinating Committee as a way of achieving the just objectives of the workers of the area, for which reason it is necessary to:

Increase the number of exchanges of information about the problems of each of the countries involved to succeed in conducting insurrections and effective actions in each case.

Promote intensification of the struggle against the big transnational consortiums and their subsidiaries in each country in a coordinated way among the workers of the subsidiaries of the same transnational company to make union demands much more effective at each of them.

Intensify the search for documentation on the transnational companies and their effect on the economies of our countries and circulate this information among all the organizations that participate in our conferences.

Engage in or solicit investigations of the IMF or other imperialist financial agencies and send the results to the above-mentioned organizations. These documents could also be sent to any organization that wants them, without their having participated in our activities.

Fight determinedly against the arms race and war and for a policy of peace for all countries.

Fight tirelessly to achieve labor unity at both national and regional levels.

Continue publishing the COORDINATING COMMITTEE BULLETIN, for which purpose a greater and sustained flow of information among our organizations is necessary, without which it would be impossible to maintain regular publication of this important labor document.

Increase our solidarity with the workers and peoples of El Salvador and Guatemala and condemn any attempt on the part of the imperialists and their satellites to spread the conflict throughout the region.

Redouble our support of and solidarity with the heroic Sandinist Revolution, today seriously threatened by the forces of reaction and imperialism and their Honduran henchmen.

As a means of helping people to better understand the common problems of the workers and labor organizations and the former and the latter to identify with one another in the context of the united efforts we propose and recognizing

the imperative necessity of closer unity between the organizations and the workers of the area to achieve their demands and gain their rights, the Coordinating Committee agrees to organize the Fourth Caribbean Workers Unity and Solidarity Labor Conference right here in Guadeloupe.

11,466

CSO: 3248/549

## BRIEFS

HONDURAS-GUATEMALA TRADE TREATY EXTENDED--At the request of Honduran Economic Minister Gustavo Adolfo Alfaro, the bilateral trade treaty between Honduras and Guatemala was extended for one month beginning next Friday the 25th. The information was furnished yesterday by our country's Economic Minister, Julio Matheu Duchez. He said that the 30 day extension would enable both him and his Honduran counterpart to take time to examine the situation. Matheu took the opportunity to say that the meeting of Economic Ministers of the Central American region scheduled to take place this month in San Jose, Costa Rica was postponed at the request of Nicaragua and Costa Rica. [Text] [Guatemala PRENSA LIBRE in Spanish 24 Feb 83 p 4]

CSO: 3248/580

## PLANALTO PALACE FORMULATES STRATEGY FOR 'DEBTORS BLOC'

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Feb 83 p 4

[Article by Carlos Chagas: "Planalto Putting Together a 'Debtors Bloc'"]

[Text] The government sincerely expects to succeed in its negotiations with the International Monetary Fund and in the various measures adopted to bring about --even with sacrifice-- lower rates of inflation and to provide the means for paying the foreign debt, restoring our economic situation to normal in the foreseeable future. Official policy is being conducted within that framework and will continue to be throughout this year.

However... In the meantime, a sort of alternative strategy is being developed in Planalto Palace, just in case our efforts and those of other countries in similar circumstances should fail as a result of external problems and obstacles raised by the interests of the developed nations. Such an option, considered extreme and undesirable by palace sources, had its roots in President Joao Figueiredo's speech at the United Nations in September and continues to grow. It is based upon the possibility that the orthodox policies now in place may fail and suggests the possibility that at a given moment Brazil and the other countries may, as a bloc, try to impose conditions other than the current ones for payment of their debts and development of relations with the rich nations.

Without making any value judgments--since, as a matter of fact, the operation would become a sort of Latin American OPEC of poor nations or even another attempt by the "Brancaleone army" to capture the holy sepulchre--some ideas and events that have been stirring in the corridors of power recently can be sketched in broad outline.

Since Brazil's government head addressed the UN General Assembly "exploratory" talks have been held with representatives of other countries, including Argentina and Mexico, which, like us, are faced with serious problems.

A nucleus is apparently being formed that, if necessary, could attempt less orthodox solutions than those adopted thus far by the three and by other debtor nations now negotiating with the IMF. It is not an insurgent bloc opposing the rules of the community controlling the Western economy, if only because they all anticipate success in the current bilateral strategy. On the politico-diplomatic front, however, an alternative is being developed similar to that on the economic front.



Should the latter fail, the former would remain. After all, bankruptcy of the developing countries would affect the creditor nations and their institutions profoundly, and they should at least be aware of the danger.

Private talks have been held among Brazil, Argentina and Mexico. In January, when they met at the border, Figueiredo discussed the matter with Reynaldo Bignone, Argentine president. Talks initiated last year with Lopez Portillo will be resumed in April with Miguel de La Madrid, Mexican president. Meanwhile, on 21 February Foreign Minister Saraiva Guerreiro, meeting with foreign ministers of the SELA (Latin American Economic System) nations, will no doubt manage to solidify the alternative.

If for the present there is no intention to form a rebel bloc, much less is there any consideration of unilateral moratoriums or refusals to pay foreign debts. What is being analyzed is simply the possibility of the debtor nations, faced with the failure of orthodox solutions, adopting common behavior unrelated to the interests and standards of the developed world. To pay, but under conditions set by us, including due dates and interest rates, as well as to adopt new policies for our currently restricted exports and defense of minimum prices for our products.

When President Ronald Reagan was in Brazil in November--about which comments are still being made in government circles--he must have perceived this sort of future risk, but was put at ease concerning our desire not to pursue such an extreme course. The problem is that projections and calculations made in the privacy of offices that are more political than economic make quite clear the possibility that all the current efforts will amount to nothing. Resort to the IMF will not resolve the crisis, which is more structural than cyclical.

Of course, these reports, if checked against the government's official line, will be played down and even denied. It is certainly not the president's desire to unleash a process of such magnitude that no one knows where it will lead or what reactions it may arouse. It will merely be considered a last-ditch option and will be denied until the moment when it can no longer be avoided, should that point be reached.

Ironically, this possibility was also recognized and even talked about superficially in a press interview with former secretary of state Henry Kissinger, whose thesis is that the crisis is to be resolved more in the politico-diplomatic field than in the economic field. The debtor nations have ammunition available to the degree that if they are ruined they will also ruin their creditors by such insolvency. Acting together politically they will be able to impose different conditions should the bilaterally negotiated economic policies fail.

In the United States there are those outside the Reagan administration who are worried about the situation. In the next few weeks Georgetown University will sponsor a seminar about economic relations with Brazil. Those expected to participate, besides Henry Kissinger, are David Rockefeller, William Simon, William Rogers and others. And here is a revelation: the sponsors of the meeting, in an agreement with the University of Brasilia, suggested that General Golbery do Couto e Silva come to Washington as a member of the Brazilian group. It is not yet known what his decision is or even whether he has received the invitation, not to mention what the inside reaction of Planalto Palace might be, but the mere fact demonstrates the greatest concern about the situation on the part of American opinion leaders.



## PROBLEMS WITHIN FIGUEIREDO ADMINISTRATION ANALYZED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Feb 83 p 4

[Article by Carlos Chagas]

[Text] Some days ago in Rio, former president Ernesto Geisel began but did not complete a statement to a former aide. Because it was not completed, it defines particularly well the phase through which his successor in the present government is currently passing: "Joao? Joao should have been more ..." These words were accompanied by a gesture which is rather common among the cavalry officers, despite the fact that Geisel was an artillery man. With his two fists clenched, he drew his forearms toward his breast, giving the impression of tightening imaginary reins and slowing an imaginary mount, thus demonstrating control and an active stand.

Because he is his friend and comrade and in addition to that helped to shape him, his predecessor was only suggesting, with concern, the existence of a situation noted by all. President Joao Figueiredo needed to be more of a president. He needed to make decisions and act with regard to a series of acute and immediate problems. He needed to begin to govern again, freeing himself from what seems to be a feeling of apathy about to turn into depression.

For the government, apart from its routine actions and certain attitudes of self-defense, is not governing. It has come to a halt. To the extent of their ability, the ministers are still functioning, but without coordination, which leads them to move as little as possible, fearful of going against an overall strategy with which they are not familiar and which perhaps does not exist. Pressed by a number of circumstances, and after having acted fearlessly and dynamically in the political field, for example, Gen Joao Figueiredo has now for some time been watching placidly while a crowded parade of dilemmas, contradictions and doubts push the whole forward, without giving it order or definition. Did he get tired? Did he exhaust himself? Is he waiting for time to pass? With 4 years of his term of office elapsed and 2 to go, he seems to have reached his limit. He is contributing little or nothing to the dynamics of events, be they economic, administrative, social or even political.

The more than laudible and triumphant undertaking in favor of democracy from the time of the amnesty to the 15 November elections gives the impression of having run down. Figueiredo admits that the elections favored the opposition

and has even commented on the coincidence in the fact that the PDS [Social Democratic Party] lost most heavily in the states he visited most frequently during the campaign, but these would not be justification for his failure to take or allow any aide to take steps to deal with the new situation. To date, the cabinet and the nation are unaware of the main strategy by means of which the government will reach agreement and establish relations with the opposition governors. The order of the day is immobility, and the tactic pursued involves waiting for the adversaries to take office in the 10 states where they triumphed in order to see how they conduct themselves. Then, on the basis of each action undertaken, there will be room for a reaction, an aftermath. It makes no difference if some provoke greater irritation than others, for example Leonel Brizola or Gerson Camata. There is no rule of conduct for any of them, and therefore the ministers have refused to meet with them, waiting for the president to do so first when and how he sees fit.

Nor is there, at the Planalto Palace, any plan capable of guaranteeing continuity in the open-approach process. Despite the reference every 4 years to the need for constitutional reform, the president has no ideas in this regard. Nor do his closest advisers. Nothing was suggested, that is as to where or how or why change should be sought.

The issue of succession, representing the climax of the advance toward democracy, if it is naturally open to politicians' participation, remains in a shadowed area. Figueiredo is not acting and not allowing his leaders to act, thus contributing to the paralysis of candidacies likely to merit his support and reflect his inclinations. He does, however, favor others. Or one other, since despite appearances, former governor Paulo Maluf remains deaf to his suggestions. He is proceeding swiftly in the search for faits accomplis and winning over the participants in the PDS convention, despite statements to the contrary. Each period of 30 days elapsing in this atmosphere of inactivity represents 30 convention participants sounded out, entangled and even persuaded and committed to support of Maluf, thanks to his peculiar methods and his indifference to presidential decisions, which have no meaning for him.

The same thing is true in the administrative sector. The efforts to plan and pursue the process ceased some time ago. The cabinet shrinks from everything but the strict routine of daily work or self-defense. Today as in the past, the abuses, the incompetence and even the contempt on the part of many ministers for their duties are flagrant. But this has not led to the triumph of the plan for the partial reform of the cabinet, which, they say, Figueiredo would not be in a position to promote now even if it were wanted. "With the ministers there, it would do no good to exchange one for another. None is achieving miracles." These comments, which have been attributed to him, are certainly as fragile a smokescreen as that which credits his military training and his sense of comradeship as reasons for not removing anyone. Nothing is said of the special deals, improper interference, scandal and corruption which have occurred while his government has been in office. He takes no steps to limit them. It is as if they did not exist.

There were many promises of social change before he took office on 15 March 1979, but practically none of them have been kept. The majority never got

beyond the paper stage, but even those which were drafted and announced failed. Inheritance tax, urban reform, taxation of excessive profits, participation by employees in business profits, creation of new jobs, democratization capital--if these proposals were contemplated and some of them even attempted, today they seem a thing of the past. The only one implemented, the new wage policy, prospered for a time, but it ended up reduced and changed.

No difference can be seen in the economic and financial sector. From the failure of the battle against 40 percent inflation to the current crisis, things have come full circle. The government acts after the fact. Only the routine reaction to each new development brings floods of packets, decrees, changes and improvised actions, ranging from increases in taxes and duties to weird schemes to resolve the bankruptcy of social security, from the entry of Brazil into the International Monetary Fund to the almost begging posture adopted by the ministers in this sector with regard to the international community. There has been no evidence for a long time of foresight or even of the mobilizing of society to deal with the crisis.

There is a lack of courage and of overall strategy, just as the government lacks unity, consistency and solidarity in this beginning of 1983. It is not so important that Figueiredo, since he took office, has called the cabinet together only twice, and has even interrupted the previous meetings of the Economic and Social Development Councils. The cabinet is currently meeting only for the traditional photographs on the anniversaries of its installation or celebrations of Christmas, the New Year and the president's birthday.

This is the picture, and it is worth the effort to look at why it has shaped up thus, slowly and gradually, after such expectations and high hopes. It cannot have been because of the president's heart attack something over a year ago or the electoral defeat last November, much less the economic and financial crisis.

#### Golbery's Resignation Compounded Problems

It is necessary to go back in time. While he had behind him a veteran and more or less homogeneous group, even though he neglected major cabinet gatherings, Figueiredo governed. We will not indulge today in value judgments as to how he governed, or the guidelines of this group, but will simply establish the fact that he did govern. In 1979, 1980 and a part of 1981, wherever one looked, despite the difficulties and the crises, the failures and the successes, one could sense the existence of a government, with the general and president evident in the background.

If it did not begin then, this surprising and unusual situation took shape following the Riocentro developments, the culmination of a silent battle between the then-chief of the Civilian Household of the Presidency, Golbery do Couto e Silva, and the head of the National Intelligence Service (SNI), Octavio Medeiros. It is probable that this already represented a battle for future power, but it does not matter. In that episode, the homogeneity of the functional organism of the present regime deteriorated. Golbery

resigned, and it cannot by a long shot be concluded that he was the "good guy" outdone by the "bad guy" in a rather unhappy ending to the story. As has been said above, value judgments must await another day, for here we are concerned only with facts.

With Leitao de Abreu replacing him, the first indications seemed promising. Figueiredo could win back the unity lost in his central functional body, the impact of the desertion of his former aide would be overcome and he could continue to move forward. Unfortunately for him, this did not happen, and here lies one of the keys to an understanding of the paralysis which prevails today. For the present chief of the civilian household of the presidency, with his own special style, training and attitudes, has not only isolated himself, but has acted in such a way that the other pieces on the privileged chessboard have become more isolated, to the extent that other members of the "palace group" were soon referring with nostalgia to the Golbery era. "At least he talked, gave some indication of what he was planning in his sector, voiced opinions on our activities and, for better or for worse, directed the orchestra." This is how one of them put it.

There could be no greater reason for the immobility of the government than the dissociation of and even open confrontation among the presidential aides on the highest level, greater in number and extent to what occurred in the Golbery cabinet, generally speaking.

Isolated in what Octavio Medeiros, head of the SNI, Danilo Venturini, now chief of the Special Ministry for Land Related Issues, Heitor de Aquino, the private secretary, and other officials call the "bunker" of the Civilian Household, Minister Leitao de Abreu, whether willingly or otherwise, became the main factor in the overall lack of government action. His adversaries do not spare him, calling him either the "Fuehrer" entrenched in the bunker, or "Dino" in a comparison to a subtle dinosaur standing guard over a delicate garden. They go so far as to give him the impertinent nickname "Sadim," the opposite of Midas, because if everything that mythological king touched turned to gold, everything the professor touches turns to garbage. They also call him "count" or "marquis" because of his distant and aristocratic attitude.

A complaint attributed to Medeiros, the head of a body as powerful as it is uncontrollable, is that the Civilian Household has become a fortress in which matters are either examined in secrecy and sent to the president without the slightest consultation with the other comrades, or they are simply shelved or put away, even though they are urgent and important.

Initially, the head of the SNI and his chief ally, the then head of the Military Household of the Presidency, Danilo Venturini, with Heitor de Aquino in tow, tried to win over and cooperate with the impassive jurist. Gradually they found that he was placing them and dealing with them from a distance. On one occasion Medeiros went to Leitao's office, where he was in conference with a high official. It was 10 am, and, smiling, the military officer told the civilian that he needed to talk to him urgently. The visitor made as if to get up, preparatory to leaving, but Leitao instructed him to stay. He

stressed that he could not talk then with the head of the SNI, and the latter responded that he would return in 10 minutes. "Ten minutes? Impossible. I couldn't see you until after 11:30." Still worse happened to Danilo Venturini, who telephoned from the next office, asking for a brief audience, but was told by Leitao's secretary that an appointment would be made for 2 days later.

Minor matters, matters of style, but such as to lead first to an atmosphere of distance, then one of resentment and now one of open warfare. The former Federal Supreme Court judge and high official in the Garrastazu Medici administration is saying nothing and making no overtures, despite the fact that in his speech when he took office on his return to the Civilian Household, he paraphrased Lincoln and said that new times require new attitudes. Even on the few trips he has made with Figueiredo in the presidential Boeing, he isolates himself and is isolated. If the other members of the group are there when he is summoned to the president's special compartment, conversations stop when he enters. At the daily 9 am to 3 pm meetings, the relaxed and natural study of the main issues of the day was replaced by ceremony, and what can be noted now is inactivity and hostility. Or routine actions, because everything which might mean new proposals or new ideas is jealously guarded or blocked on one side or the other, depending on the individual initiative. Not even Delfim Netto can escape the skirmishes, finding himself ever closer to Medeiros, given the continual differences with Leitao de Abreu. One of long standing has to do with the establishment of the Finsocial, which the head of the SEPLAN [Planning Secretariat] did not want to be structured and submitted to the president for approval exclusively by the head of the Civilian Household any longer. Recently, Leitao put up great resistance to a change in the wage policy, but he ended by yielding to the dictates of circumstances. He yielded, and even drafted the decree law now in the congress, which he provided with legal arguments of debatable acceptability, but he has not sheathed his weapons. A few days ago he directed spokesman Carlos Atila to make it known that he had received suggestions of new changes in the wage mechanism from Sen Carlos Chiarelli, which he diligently sent on for study to the minister of labor. Leitao has also formulated criticisms of the way in which Delfim Netto is handling the foreign debt, and of the excessive cost of the government's negotiable bonds.

#### Leitao Is Centralizing Power

Leitao de Abreu is centralizing rather than delegating administrative, political and institutional matters. He is not dividing them up, as in the case of the constitutional amendments in June of last year. His palace comrades learned of the scope of the measures when they were published in the newspapers. And, while they were being drafted, he rejected the SNI suggestions with regard to the structure and functioning of the electoral college, onto which Gen Newton de Oliveira e Cruz, the now-notorious right-hand man of Medeiros, wanted to graft aldermen. The security organs also wanted the party coalitions excluded from this privileged council, empty-handed again instead of better off.

But earlier, at the time the PP [Popular Party] was incorporated in the PMDB [Brazilian Democratic Movement Party], Medeiros and Venturini wanted Leita de Abreu, a former supreme court judge, to find a way to talk with his former colleagues, or to send some message indicating the desire of the government to see the opposition maneuver rejected. Lecturing on the independence of the course, he was unwilling to take even preliminary steps. Parallel to this, according to the executive branch story, where the courts are concerned he does not allow the slightest independence. Minister Ibrahim Abi-Ackel, who should be the natural coordinator or executor of government action on the political level, is kept quarantined, with limited room to maneuver. Today, only district voting is working, and even that is paralyzed. And during the preliminaries of choosing candidates prior to the 15 November elections, he was practically handcuffed. Leita tied up decisions, and, according to a comment by the palace group, he interfered where he should not have and failed to act where he should have, due to lack of experience and political knowhow. He insisted on the choice of Eliseu Resende in Minas Gerais, going against the party inclinations, and the result was what we see. But he did not lift a finger to persuade Gov Eurico Resende in Espirito Santo and Gov Ney Braga in Parana from imposing candidates known in advance to be certain to lose, which also happened.

Again in the political sector, Leita was unsuccessful in persuading the president of the evils of total interlinking of votes, which he defended in the name of party purity. The effects for the PDS were negative in the majority of the larger states. He wanted elections held in two rounds, because of the coincidence of terms of office, but he retreated.

The head of the Civilian Household was unable to fill all of the available space, because he encountered the opposition of people enjoying the confidence of Figueiredo, which he does not. Thus he has had to accept or swallow Heitor de Aquino, his private secretary, Carlos Atila, press secretary, and Inocencio Martires Coelho, prosecutor general of the republic, who are functionally subordinate to him, but far from being players on his team.

Leita de Abreu went so far as to be rude on one occasion to Heitor de Aquino, who is given to ventures into the political coordination sector. Because of his heart attack, Figueiredo was in the Hospital dos Servidores in Rio de Janeiro, and the palace group, with the military ministers participating, was discussing whether or not it was desirable for Aureliano Chaves to take office. In all justice to him, it was Leita de Abreu who turned the talk against the installation of the vice president, but before he began to set forth his arguments at the Othon Palace in Copacabana, he suggested to Octavio Medeiros: "let us not begin the discussion of this matter while that young man is here." The next day, it was spokesman Carlos Atila who suffered. He had made statements to the press stressing that "although he is not a constitutionalist, he believes despite this that the installation of the vice president would not be an absolute necessity." For his error, the press secretary suffered 2 days' confinement "with labor duties," an unusual situation for a direct presidential aide at a time such as that.

The lack of synchronization is even visible in foreign policy, since months ago, while talking with Marcilio Marques Moreira, Leita spoke out, terminz



any possible joint defense action by Brazil and the other debtor countries against the United States "stupid." In his view, economically as well as geopolitically, the Americans are our partners and we must not go against them. Even so, there was Figueiredo's speech at the UN last September, and also now indications are emerging that, if the efforts with regard to the IMF fail and the economic crisis continues, we will be prepared to contemplate quite unorthodox solutions together with the Latin American community.

In brief, the palace group no longer has any cohesion, but consists of individuals lumped together and in conflict. Months ago, Figueiredo tried to mitigate the difficulties by summoning Gen Rubem Ludwig to the Military Household, shifting Danilo Venturini to a short-term ministry for land-related issues, in order to keep him at the palace. The former minister of education, without affiliation with any of the groups, thought he could reduce tensions and even acknowledges having suggested to the president that the group needed to be "diluted," i.e., to have more people added, both to give it back its lost efficiency and to avoid constraints. More ministers, if not on a daily basis, at least whenever joint problems developed. He was not successful and he seems today to have retreated, watching the battle continue without participating or engaging in it. Ludwig perhaps regards himself as too old to undertake the task of unraveling mysteries.

The president must know what is happening around him. He must also know that the question of who will succeed him is added to the problems of coordination. Or that it was there from the beginning. Points of coincidence apart, Leitao de Abreu and Octavio Medeiros are candidates, whether of their own accord, in the first case, or because of shared information, in the second, it doesn't matter. Any piece moved or any suggestion adopted may favor one and threaten the other, in almost any one of the fields of government action. For this reason too, he does not or hesitates to act. He paralyzes himself and the government, except for the pursuit of routine or when the need for self-defense occurs.

There are those who believe that things cannot continue as they are now, and that in the short or medium time range, something is bound to happen. One solution for Figueiredo, for the government and for the nation would be a mutual effort to change attitudes and thinking, in order to promote a sort of forced solidarity among his aides. In theory, these things can be contemplated, but in practice, it is a different matter. Among other things because Leitao de Abreu does not even let down his guard enough to acknowledge the existence of what has been described above, or even to take the smallest peek at it. And because, on the other side of the coin, Octavio Medeiros has become truly exasperated.

This is perhaps explained by the fact that, in addition to the general paralysis, there is paralysis on the succession issue, involving the most serious of risks. In order not to displease anyone, and in order to avoid the sudden implosion of his main group of advisers, the head of the government is losing valuable time, which is a gain for adventurers who neither Leitao de Abreu nor Octavio Medeiros would like to see take the seat of executive power by storm, but to whose victory they, more than anyone may be contributing.

## DISCORD BETWEEN FIGUEIREDO, POLITICAL OPPONENTS ESCALATES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jan 83 p 4

[Article by Carlos Chagas: "Disagreement Worsens As Liberalization Broadens"]

[Text] The climate is going from overcast to threatening and could become unbearable in relations between the executive branch and congress--or, more precisely, between President Joao Figueiredo and the politicians--that is, in the institutions being restored. By training, temperament, experience and other factors, without overlooking the revolution, he has always had a peculiar attitude about politicians, even when being cordial with them during the liberalization process. He entered into the election campaign and it even looked as if a new and promising chapter was being written into the script, because Figueiredo became more of a politician than ever. He appeared frequently on the speaker's stand and believed himself to have been transformed into the nation's greatest political leader, due largely to the fawning flattery of his palace staff. But he was disappointed with the outcome and became irritable because the resounding victory they told him he would receive nationwide turned out to be an uneasy balance in which the PDS [Social Democratic Party] elected 12 governors and the opposition, 10, but with the majority of the public unmistakably backing his opponents, who won more votes and came to power in the most important states. Figueiredo considered himself betrayed by the politicians, especially those of his own party.

The voters' choice could have been taken in stride, and still could be now, but it left consequences for the president that have been aggravated by recent events. First it was the decision by the majority of future deputies to elect Flavio Marcilio as speaker of the lower chamber, not exactly the candidate of Planalto Palace's dreams. That was followed by the appointment of almost 1,000 Senate employees, including two opposition senators defeated in the November elections: Gilvan Rocha to the medical service and Evandro Carreira to the legal service, in addition to numerous relatives of senators. This happened on the very day the attorney general of the republic was bringing suit in the Supreme Court against the Minas Gerais legislative assembly, alleging appointment of 70 additional employees of that state's legislature to be unconstitutional. Just before, there had been the episode of the deputies and senators raising their own salaries: they will now be making 1.8 million cruzeiros a month, considered ridiculous by Planalto Palace.

Figueiredo exploded, he couldn't contain himself and gave a peculiar political lesson to a group of students he was receiving in Alvorada Palace on Tuesday,



reading 17 pejorative definitions of the art of politics, from betrayal to lying. His attitude may explain why the government has not yet mapped out any strategy to deal with oppositionist governors, leaving the subject up in the air.

In audiences and private conversations he has been unsparing in accusations about politicians and Congress. Thursday, upset by criticism that Deputy Herbert Levy had made of the executive branch and disappointed in seeing Flavio Marcilio as speaker of the house for the third time, Figueiredo raised the decibel level. He commented that the legislative branch was a disgrace when the Sao Paulo congressman mentioned the Senate appointments. They began arguing and reached a fever pitch when Levy turned the conversation toward what he thought was the equal "disgrace of the executive branch," current economic policy and its executor, Planning Minister Delfim Netto. The president later said he was tempted to through the deputy out of his office, and did not do so only out of respect for his advanced age.

The episode coincided with an unexpected decision of Figueiredo, who, after announcing that he would attend an eminently political ceremony--publication by the Senate of a book about Senator Daniel Krieger--did not show up. The explanation is that he did not want to read in the papers (the press, always the press) speculation about his possible meeting with oppositionist governors Tancredo Neves and Gerson Camata, who would be present. But neither would he have wanted to meet any other politicians, even of the PDS.

All this is taking place on the eve of the opening of the new congress and creates a threatening climate. If the Senate and Chamber were in session, the subject would occupy a large share of speeches and remarks that the press would be reporting. Although it is difficult for the politicians to justify acts such as the Senate appointments, this does not make the reciprocal untrue. Because appointments in profusion have also occurred in the executive branch, to an even greater extent and in even larger numbers. For the most diverse reasons, including both politics and nepotism.

General Figueiredo, to do him justice, does not countenance this kind of practice. His two sons--unlike, for instance, the two sons of former president Garrastazu Medici--do not work with him, nor are they public employees. There was, in fact, a showdown between the president and his brother, General Diogo, some years ago. Figueiredo was chief of the military household and his brother, a colonel at the time, was serving in Brasilia and staying with him at Granja do Torto. At dinner one evening, one of General Diogo's sons mentioned proudly that he, a journalism student, had been hired for the then Special Public Relations Staff, headed by Octavio Costa. Figueiredo became annoyed, said he would not permit nepotism, warned that he would have the young man's appointment rescinded and made his brother and his family pack their bags that very evening and move into the Hotel Nacional. It was some time before they reconciled.

Similarly, he does not approve of the recent Senate appointments, although he may not have the attorney general bring suit against them in the federal Supreme Court.

The problem of the reciprocal, or the reverse of the coin, however, is that Figueiredo represents an exception in the tangled problem of executive-branch appointments. How many reserve officers today serve on boards of directors and

advisory staffs or in public administration, simply because they are reserve officers? How many sons of cabinet ministers work in state enterprises or in direct administration, appointed on noncompetitive terms?

Couldn't congressmen also view as "a disgrace" the conduct of the executive branch in making special deals, granting favors, providing allowances, awarding commissions and so many other artificial devices that if they are ever completely catalogued would make Brazil look like the world's biggest banana republic?

Everyone lives in a glass house, but when the president begins throwing stones in the vicinity of the Plaza of the Three Powers, he had better be prepared to see them thrown right back, even if not warranted in his own case, but certainly warranted when one sees what is going on all around him.

For this reason, but not solely for this reason, the temperature has suddenly risen in the federal capital. It will do no good to deny Figueiredo's comment about the disgrace that is the Congress. He at least thought that Herbert Levy, a backer of the revolution from the very beginning, a PDS member and a businessman in tune with government philosophy, would not tell reporters everything he said and everything he heard, only minutes after leaving his office. But one would be mistaken to suppose that the president has repented or was displeased that his phrase was reported. He said it and it remains said, because he thinks that way, which is a cause for apprehension much greater than are the peripheral verbal skirmishes between himself and the politicians.

As a matter of fact, as they have always been, the power of the revolution and the pretense of power of the political class are on a war footing. The return to democracy would naturally lead to the participation of Congress, the governors and other politicians in decision-making but that eventuality, although accepted in theory by the military, in practice has all the appearances of being indigestible. Which brings us to another facet of the developing crisis.

Because Leonel Brizola, having been elected, will take office, but will represent a permanent source of friction, perhaps a potential preliminary to unusual events. Everything indicates that Gen Euclides Figueiredo Filho, the president's brother, in the next few weeks will be appointed to command the 1st Army. It is said that when the election outcome in Rio de Janeiro was announced, he made one of the most injudicious statements about Brizola: "This is something we can swallow but later throw up." And it is he who, unless we are mistaken or Planalto Palace changes its mind, will be sent to enemy territory. He will be sent to be the "anti-Brizola." The government does not consider the new governor of Rio State to be a communist, but that is not true of many of his comrades about to (the very word is loaded ["about to" in Portuguese is "prestes a"; evidently an allusion to Luiz Carlos Prestes, a communist leader]) share power with him, considered Marxists and completely under suspicion, such as Darcy Ribeiro, Jose Frejat and others. Although at present every phrase or argument of Brizola is promptly responded to, usually cautiously by Gen Rubem Ludwig, chief of the military household, what will happen after 15 March if Gen Euclides Figueiredo Filho will be in military command of the area?

Add to that the tension prevailing in other states, such as Sao Paulo, Espirito Santo, Mato Grosso do Sul and even Para and you will have a recipe for bleak times. Or for the already-threatening climate to become unbearable when the new governors clash with the central government or when Congress refuses to approve the decree-law that changed wage policy, all in the midst of the worst economic crisis of recent decades.

8834

CSO: 3342/70

## MIC OFFICIALS IN BRUSSELS TO DISCUSS UPCOMING ISO MEETING

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Feb 83 p 22

[Text] Brasilia--Marcos Jose Marques and Rogerio Saboia, secretary general and international adviser, respectively, of the Industry and Commerce Ministry [MIC], will leave for Brussels tomorrow to meet next week with representatives of Australia, Cuba and the European Economic Community (EEC) to arrange for the latter's participation in the meeting next May that will vote on the new International Sugar Agreement.

Industry and Commerce Minister Camilo Penna yesterday viewed as a victory for producing countries the Europeans' decision to participate in the agreement and in the International Sugar Organization (ISO), as it is the only way to prevent the EEC from continuing to increase its share of international sugar trade while refusing even to discuss creation of an export quota system.

At the meeting next week, the minister said, Brazil, Australia and Cuba will try to reduce any causes of friction with the EEC. Once that is done, he thinks there will be a good possibility of arriving at a quota agreement at the next ISO meeting in London that will include the other producing countries (about 45).

The friction is caused by the fact that the EEC not only refuses to participate in the agreement but also threatens to dump its entire inventory on the market, which would lower sugar prices even further. Such a possibility, however, does not worry the minister, who says he is convinced that the European citizen is becoming increasingly weary of subsidizing European sugarbeet producers. He mentioned that last year alone countries belonging to the EEC spent about \$1 billion to subsidize the producers, whose costs are almost five times those of cane-sugar producers.

But the minister's proposal to the Europeans for stabilizing the market and reviving prices has not yet met with a response from the EEC. His idea is to use some of the sugar to produce alcohol. This would reduce petroleum expenditures if the alcohol were mixed with gasoline and would revive sugar prices on the international market. Marcos Jose Marques and Rogerio Saboia will bring the subject up again.

8834

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## UNION LEADERS THREATEN STRIKE, WANT ECONOMIC TEAM OUSTED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 24 Feb 83 p 33

[Text] Joaquim dos Santos Andrade, president of the Sao Paulo Metalworkers Union, yesterday urged removal of Planning Minister Delfim Netto and Finance Minister Ernane Galveas from the government and redirection of the Brazilian economic program so as to "avoid an even worse recession in the nation with serious social consequences." His statement was made during a meeting of about 700 labor leaders (representing 180 unions, 22 professional associations and 12 labor federations from throughout the state of Sao Paulo) to evaluate the Sao Paulo labor movement's campaign against changing the wage law and against maxidevaluation of the cruzeiro. After the meeting, the labor leaders marched through the main downtown streets on their way to Praca da Se, where they held a rally and a public act of protest.

According to Joaquim dos Santos Andrade, the two ministers in the economic area and the president of the Central Bank (Carlos Geraldo Langoni) are "responsible for the agreement signed with the International Monetary Fund, which will plunge the nation into the worst recession in its history." He added that he does not believe such measures "reflect the incapacity of these ministers" but rather "represent the defense of interests of individuals or groups incompatible with the interests of the nation." In his opinion, "the problem of the Brazilian debt should be debated not only by the workers but also by all segments of society in order to find a solution more advantageous for Brazil rather than for the creditor countries."

During the rally in Praca da Se, attended by about 1,000 persons, Hugo Peres, president of the Sao Paulo State Federation of Workers in Urban Industries, advocated repeal of the recessive measures and freezing of the foreign debt in order to assure social peace in the nation. Peres added that Congress must reject the decree-law altering wage policy in order to prevent stagnation of the domestic market, responsible for survival of most small and medium-sized business.

In regard to the campaign being waged by the labor movement against changing the wage law, Hugo Peres asserted that Sao Paulo unions will be represented in Brasilia on 2 March to urge congressmen to bring up the decree-law for an early vote and to reject it. In the opinion of the urban-industries representative, the unions must push forward the work of organizing their rank and file in order to prepare for a general strike throughout the state against the wage restraint that will result from changing the manner of adjustment and from the government's

intention to remove from the INPC [National Consumer Price Index] the effects of the cruzeiro's maxidevaluation on the cost of living.

#### In Rio, General Strike Proposed

Rio de Janeiro--After a 2-day meeting in Rio, leaders of 14 petroleum-industry unions representing 60,000 workers decided yesterday to work with their rank and file to support the proposal for a general strike of 40 million workers against the economic policy of the government, which, according to them, has promoted wage restrictions since 1964. They also decided to reactivate the "Petroleum Belongs to Us" campaign to maintain state monopoly in the sector.

Jacob Bittar, president of the Campinas local, and Pedro Gomes Sampaio, vice president of the Cubatao local, explained that maxidevaluation of the cruzeiro heightened discussion of the general strike--which has been talked about in all union locals for over 1 year--because it will accelerate inflation, harming the workers, as it is a political, not an economic, measure. "It was imposed to accelerate the process of denationalizing the Brazilian economy and also to concentrate even further the already highly-concentrated national income," they asserted in the meeting's official document.

#### Repudiation of Model

In their "repudiation of the government's economic model" the labor leaders say that inflation will become intolerable for the working class, mentioning that the 1979 maxidevaluation took less than 6 months to double the annual rate of inflation. "And now the latest one is occurring with inflation already at 100 percent, which in a short space of time could go over 200 percent."

The leaders of the petroleum workers pointed out that "the maxidevaluation, even more than the change in wage policy, is a threat to employment itself; it is simply not true that reduction of payroll costs will enable the businessman to hire more labor or at least maintain the current low level of employment; at the very least it is a misconception on the part of technocrats who advance this thesis, because their economic model encourages speculative capital and not productive capital." The maxidevaluation is of concern to Petrobras, as the company has a foreign debt of \$5.5 billion.

They say the general labor strike would be "one way to deter the government's economic policy." When asked whether a strike such as this--involving the entire work force--would not endanger the process of democratic liberalization, the 2 leaders, who spoke for the 14 unions, said that this is the time to find out whether or not there is real liberalization. Jacob Bittar asserted: "What kind of liberalization is this, that retains the National Security Law?"

The general strike will involve all Petrobras workers and will be discussed on 26 and 27 March at the First Convention of Petroleum and Petrochemical Workers in Santos.

## 'Economic Model Has Failed'

Luiz Inacio da Silva, national president of the Workers Party (PT), suggested in a press conference yesterday that the ministers of the economic area resign their posts, since "the economic model adopted by them has failed." The PT president said "the president of the republic must become cognizant of the nation's distress and replace these men, so that later all segments of society may participate in constructing a new economic policy.

"It must be recalled," the PT president pointed out, "that these economic outrages have been occurring since 1964, when those who took power promised to end inflation, correct foreign-account balances, promote just development for the workers, end corruption and rescue the nation from the situation it was in."

Before the interview Luiz Inacio da Silva read a document entitled "The PT and the Maxidevaluation of Economic Policy," which condemns the maxidevaluation of the cruzeiro, as it represents "an abrupt transfer of wealth to those who owned stock or even had credit in foreign currencies. Within a short period," the manifesto continues, "it could greatly facilitate sale of business firms or their assets to foreigners, as they will suddenly have become 30 percent cheaper."

The document proposes complete reversal of the priorities now guiding economic policy. "Instead of giving priority to the foreign debt, economic policy," according to Luiz Inacio da Silva, "must seek a just income distribution, full employment and development of production of goods and services essential to the community."

The PT believes, according to its national president, that Brazil "cannot in any way go on submitting to the demands of foreign bankers and the International Monetary Fund (IMF)." Luiz Inacio da Silva also appealed to all sectors of society, especially the opposition political parties, to unite with the labor unions and the working class in mobilizing against Decree-Law No. 2012, which changed wage policy, and against any removal from the National Consumer Price Index (INPC) of price increases resulting from the maxidevaluation.



## IBC HEAD FORECASTS 70 PERCENT INCREASE FOR COFFEE CROP

Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Feb 83 p 24

[Text] Brasilia--The president of the Brazilian Coffee Institute (IBC), Octavio Rainho, announced yesterday that, according to initial forecasts, this year's coffee crop will be in the order of 29 million sacks, about 70 percent above last year. Rainho explained that this supercrop will help stabilize domestic prices, however, without changing the product's international quotations.

Accompanied by Minister Camilo Pena, the IBC president was at Alvorada Palace yesterday to attend the meeting of the directors of the Santos Commercial Association with President Figueiredo. After the meeting, the president of the association, Antonio Manoel de Cafvalho, said that the Santos coffee exporters went to thank Figueiredo for maintaining the current coffee policy. "We did not come to ask for anything," he added, "only to express [our thanks] to the president for the efficiency of the coffee export policy, so well conducted by Minister Camilo Pena and by the president of the IBC, Octavio Rainho, which made it possible to export \$2 billion worth of coffee in 1982."

After the meeting, the IBC president declared that, at a meeting which concluded the day before yesterday in Indonesia in which Brazil participated, our country, with the support of Colombia, preached a common policy among the coffee-exporting countries in order to regularize the market, especially among the countries that are not members of the International Coffee Agreement.

Rainho explained that the coffee is sold to nonmember countries below agreement prices, which deregularizes the market. According to him, the result of the meeting was positive because it obtained the support of all participating countries for the Brazilian position that sales be made at the same prices as the agreement although, according to his prediction, a lot of work will be necessary to regularize that parallel market.

8711

CSO: 3342/75



## COFFEE PRODUCERS PROPOSE CHANGES IN EXPORT POLICY

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Feb 83 p 26

[Text] Members of the Coffee Forum, meeting yesterday at the Sao Paulo State Agriculture Federation [FAESP] headquarters, approved the proposal to replace the export quota system with Sales Authorizations (APV). They claim this new system will democratize exports of the product and benefit coffee growers financially, "as it will put an end to a bureaucratic system that benefits only a few."

FAESP President Fabio Meirelles said the APV, which will be valid for only 1 month, may also be acquired by coffee growers "provided they constitute a commercial firm and apply for purchase of the authorizations."

He also reported that the forum will submit to authorities a proposal seeking reduction of the exchange forfeiture, now \$85, to the levels prevailing 1 December 1982, when they were \$50. "With the increase of the forfeiture just after the cruzeiro maxidevaluation, the coffee economy became completely choked off and now we don't know how we're going to get through this situation," he added.

He said the next crop will not be greater than 23 million bags and the authorities have not yet aroused themselves to begin studies about establishing the new guaranteed price. According to Fabio Meirelles, coffee growers "would like to see the new price adjusted on the basis of the INPC [National Consumer Price Index] applied as of 1 December 1982, when the monthly correction affecting a bag of coffee was abolished."

## Forfeiture

The problems of coffee were also analyzed by the National Coffee Council: raising the exchange forfeiture, according to the entity, (tax quota) from \$50 to \$80 per 60-kilogram bag of coffee, along with elimination of the monthly adjustment of the guaranteed price paid to producers, could result in a reduction of Brazil's income from coffee exports, which was \$2.018 billion in 1982. This warning is contained in a letter addressed by the president of the council, former governor Abreu Sodre, to the minister of industry and commerce, Camilo Penna.

Sodre argues that the pressure from importers to lower coffee prices, within a market disciplined by the OIC [International Coffee Organization] agreements, results from "an unorthodox marketing process." In this process the IBC [Brazilian

Coffee Institute] tries to tie the price of our product to coffee quotations in countries with fragile economic structures which are more subject to pressure for lower prices. This results in a constant process of price reduction (the so-called rebates) in export contracts.

"These discounts are covered by the funds the government obtains through the exchange forfeiture. Hence, to the degree that this forfeiture rises from \$50 to \$86, it is to be expected that pressure for lower prices will increase," the National Coffee Council president argues.

The council cites data referring to 1982 to back up his arguments. Last year we exported 17,063,095 sixty-kilogram bags of coffee which brought the nation net exchange receipts of \$2,018,914,414. This results in an average price per bag of \$118.32, or 89.63 cents per pound, when the minimum price for registering exports was fixed at \$1.20 to \$1.30 per pound.

"With the forfeiture set at \$86 per bag, the pressure for discounts will be upon available funds almost twice as great as before, when the forfeiture was frozen at \$50," asserted Sodre, who concluded:

"I thus do not see how the producer can benefit from the current static mechanism without monthly adjustments of the guaranteed price, which transfer at least part of the currency devaluation to the price."

2334

CSO: 3342/76

## CURRENT IEA FORECAST CONFIRMS PESSIMISTIC CROP PROJECTIONS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Feb 83 p 22

[Text] Publication of the 1982-83 forecast for the Central-South region by the Agricultural Economics Institute [IEA] of the Sao Paulo Secretariat for Agriculture and Supply confirms the pessimistic expectations about the current crop year, differing from the predictions of the Agriculture Ministry, which speak of a 56-million-ton grain crop, compared with 53.3 million in 1981-82.

Based upon data about output value, factor markets, product markets and agriculture policy, the study analyzes the causes of the 5.2 percent reduction in area planted to cotton, rice, peanuts, potatoes, unirrigated beans, corn and soybeans in Sao Paulo State. The study says this drop indicates the cautious position assumed by farmers of the Central-South region, "due to general economic conditions in 1982, which especially aggravated the earlier problems of lower terms of trade for agricultural products and the consequent loss of net income."

According to IEA analysts, the 1982-83 crop will depend upon the yield of some products affected by excessive rain (rainfall last year was the most since 1929) and less use of inputs, especially choice seeds and fertilizer, which represent a large share of agricultural costs. Hence, unlike the expectations of the Agriculture Ministry and the Brazilian Institute of Geography and Statistics Foundation [FIBGE], this year's crop may be smaller than that of 1981-82.

The report mentions the 14.7 percent reduction in fertilizer consumption in the Central-South region in the January-through-June period of 1982, caused by changes in rural credit policy (which called for an increase in the share of operating costs borne by the farmer and charging of interest for fertilizer loans), relatively low operating-cost subsidies and the slower rise of farm prices, which remained below that of the General Price Index..

According to the forecast, in the January-through-September 1982 period there was also a 14.6 percent real reduction in the average price of fertilizer in Sao Paulo State, although that did not help change the farmers' outlook. The amount of lime used on crops in the Central-South region also declined, according to data for Sao Paulo State, where sales of agricultural lime fell 20 percent last year.

Thus, everything indicates that the nation's grain output will drop considerably in 1982-83, rather than the 3 percent increase forecast by the FIBGE, whose data are considered more reliable than those of the Agriculture Ministry, which often tend to be over-optimistic. Moreover, if this was the situation in 1982-83, what can be expected of the 1983-84 crop, when agriculture will still be suffering the impact of reduced subsidies and the negative effects of the exchange-rate maxi-devaluation? Unfortunately, the discouragement of farmers leads us to predict another drop in production due to the unfavorable prices for products, the reduced use of modern inputs and the negative effects of the recessionist policy on the whole economy.

8834

CSO: 4432 76

## CMN APPROVES 30 PERCENT EXPORT TAX ON COMMODITIES

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Feb 83 p 23

[Text] Brasilia--In a meeting held over the telephone, the National Monetary Council (CMN) yesterday approved a resolution creating a 30 percent tax on exports of commodities--essentially mineral ores and farm products--thus making it impossible for that sector to benefit from the maxidevaluation.

The government intends that buyers of ORTN (Indexed National Treasury Bonds) pegged to the exchange rate, whether individuals or corporations, are not to benefit from the maxidevaluation and it has ordered the Federal Revenue Secretariat and the Attorney General of the Republic to make studies on how to implement that policy. These bonds pay interest based upon the exchange rate (others are based upon monetary correction) and the government does not think it is fair for them to benefit from the maxidevaluation.

This information was given out last night by the chief of the Finance Ministry's economic staff, Mailson Nobrega, who declined to give further details about the maxidevaluation. Creation of the export tax, as well as the Central Bank communique announcing the cruzeiro devaluation, will be published in the DIARIO OFICIAL on Monday.

According to Mailson Nobrega, as a result of the maxidevaluation Brazilian commodities will be very competitive on the foreign market and the nation runs the risk of losing revenue as a result of these products being sold at lower real prices. In other words, without the export tax the selling price in cruzeiros would remain the same as they are now and the nation would receive 30% less (the amount of the cruzeiro devaluation) transferring the "profit" abroad.

Nobrega said that in the future commodities will be studied on a case-by-case basis if they are facing export problems and their export tax may be reduced or even eliminated. He asserted, however, that there will not be a list of products exempt from the tax and each case will be examined separately.

The government's intention, according to the Finance Ministry economist, is to gradually reduce the export tax on the various commodities as happened after 1979 when there was a maxidevaluation in December. But he did not say how long he expects this to take.

To prevent corporations owning ORTN pegged to the exchange rate from benefiting by the 30 percent maxidevaluation, the government is studying the legal implications of putting a 30 percent tax on the income from such bonds, since this is part of the company's earnings and hence can be taxed, Mailson Nobrega said.

In the case of individuals, the problem is more complicated, as existing legislation permits [sic; does not permit?] interest income to be taxed. What is being considered is a measure classifying the total gain as taxable income. According to Nobrega, studies are being conducted and the proposed changes may have to be made by a decree-law. For that reason no decision has been made yet.

8834

CSO: 3342/70

## FIRST TITANIUM CONCENTRATE PLANT TO BEGIN OPERATIONS

Rio de Janeiro O GLOBO in Portuguese 7 Feb 83 p 13

[Text] Belo Horizonte--The director of the technological research department of the Vale do Rio Doce Company (CVRD), Marcio Paixao, announced yesterday that the first Brazilian plant for the concentration of titanium ore (anatase) will go into operation next month. The plant, installed in Tapira (Minas Gerais), was developed with completely national technology and will have an initial production capacity of 15,000 tons annually.

By 1985, production capacity will be increased to 200,000 tons annually, which at today's prices will yield \$60 million for the CVRD. The titanium concentrate is used in the manufacture of pigments for paints and for obtaining metallic titanium, and the CVRD production will completely replace the imports of anatase, which currently range around \$50 million per year. In addition, Brazil will become the principal exporter of that raw material.

## Utilization

Two companies--the Andrade Gutierrez and the British Tioxide Group--are interested in using the concentrate for the manufacture of pigment with the installation of factories in Tapira. For its part, the Aerospace Technological Center (CTA), together with Minas Gerais Metals, is developing a project for the production of metallic titanium. In the event that those projects are not successful, the country will continue to import pigment and metallic titanium even though it is self-sufficient in terms of the raw material.

According to Marcio Paixao, all the countries that import the concentrate and final products are closely following the activities underway in this country, taking into account the fact that a process of depletion of that ore is already occurring on a world scale.

The CVRD's anatase reserves, which run from Jacupiranga (Sao Paulo) to Catalao (Goiaz), are 10 times larger than all the other known reserves in the world in titanium content. The Brazilian reserves in that region amount to 1 billion tons of anatase (in the North and Northeast, there are also reserves which have not yet been measured), containing 20 million tons of titanium compared to 18 million in the other countries, mainly Australia, the United States, the USSR, Asia and Africa.



The process to be applied by the CVRD began to be developed in 1971 by the company's technological research department and cost \$5 million. The semi-commercial plant represents an investment of \$13 million and the expansion envisioned for 1985 will require another \$70 million. The plant is designed for the exclusive use of charcoal as fuel.

8711

CSO: 3342/75

## MOVE OF IMBEL HEADQUARTERS SITE TO SAO PAULO EXPLAINED

Brasilia CORREIO BRAZILIENSE in Portuguese 13 Feb 83 p 6

[Text] Col Luciano Phaelante Casales, chief of the IMBEL [Ordnance Industry] Press and Publicity Secretariat, wrote a letter to CORREIO BRAZILIENSE explaining the reasons that led the company to transfer from Brasilia to Sao Paulo. According to the colonel, the reasons were essentially economic, since several IMBEL subsidiaries are located near Sao Paulo. The letter is as follows:

"I have the pleasure of writing you about the notice published in your column 'Advance Post' of issue number 219 of the REVISTA NACIONAL, a supplement of the 7 February issue of CORREIO BRAZILIENSE referring to the move of IMBEL headquarters from Brasilia to Sao Paulo.

"In the first place, I should like to clarify that IMBEL, besides selling ordnance, administers the following factories which it owns: Itajuba, light armament; Juiz de Fora, ammunition; Presidente Vargas and Piquete, gunpowder and explosives; Estrela, explosives and devices; Andaraí and Rio de Janeiro, ammunition.

"IMBEL also owns several subsidiaries and associated companies, all except PROLOGO [expansion unknown] located on the Rio-Sao Paulo axis.

"Moreover, the majority of factories for materiel of military interest, which IMBEL has the legal mandate to guide, support and encourage, are also located in that region. For these reasons and after 5 years' experience, the army minister agreed with the proposal of Dr Jose Luiz Witaker Ribeiro, the company's new president, particularly because having the headquarters in Brasilia greatly increased administrative costs and hampered necessary liaison with its factories, subsidiaries and associates, and with private industrial plants.

"It should also be taken into consideration that sale of the headquarters and the houses on the lake will provide substantial funds for investment in IMBEL's production and marketing operations, as the new management does not find it necessary that the headquarters in Sao Paulo be as sumptuous nor that its management be entitled to a living-cost allowance at company expense.

"As a matter of fact, moving IMBEL headquarters is a measure to streamline the company's administration, moving it closer to its center of production and operations, as well as reducing costs in the sector.

"I should also explain that, according to the company's new organization, the chairman of the IMBEL Board of Directors will have to be the army general heading the Ordnance Department, with headquarters in Brasilia, thus maintaining IMBEL's ties with the nation's capital. The company's new charter, furthermore, provides for permanent liaison of IMBEL with the army through a liaison officer in the ministry office."

8834

CSO: 3342/76

## MULTIPLE ROCKET LAUNCHER, TANK, MINESWEEPER TO BE PRODUCED

## Multiple Rocket Launcher

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Feb 83 p 5

[Article by Roberto Godoy]

[Text] Campinas--There was a surprise in store for the invading army's staff: its troops had advanced easily since crossing the border over 7 hours earlier. There had been some resistance in the border area, but it was only symbolic, as had been expected in the "blue book" for the operation: poorly armed police officers backed up by a small group of inexperienced conscripts had tried to hold up the advance by the first assault column--consisting of powerful 30-ton tanks with stabilized 105mm guns. The shock had lasted only 10 minutes, after which the action was centered on setting up supply and communication lines, occupying strategic bridges in the rear, and broadening the penetration front. Now it was time to pause for evaluation in front of the torrential and deep river that practically cut the area in two.

The invaded country's sector defense had never been tested in practice, although the area included some of its chief energy resources--a basic point in the discussion that had now moved from the meeting rooms to the humid savannah. But the system called for the mobilization of ground and air forces using equipment produced by national industry. Would that be enough?

The answer fell from the skies, suddenly and in the form of a stunning storm of fire and hot steel that seemed to be coming from all sides. The invading force's main formation of armored infantry and cavalry was being harassed and interdicted without letup. The source of the retaliation was shifting constantly. Equipment losses were sizable, and so were casualties. The pressure increased as a result of ground attacks by very agile fighter-bombers and the opposing artillery--a combination capable of holding back support from the attacker's aircraft at the perimeter of the theater of operations. The initial success had now become a pathetic error in assessment. The retreat began. And again the sky was ablaze.

The weapon capable of causing the complete reversal of that hypothetical battle is one of the best kept secrets of Brazil's military industry: the Astros 1, produced by AVIBRAS Aerospace of Sao Jose dos Campos. It is a mobile multiple

saturation rocket launcher designed to compete on the international market with equipment of the same class (the American MLRS, the German LARS, the French Rafale, the Italian Firos 25, and the South African-Israeli ARS-127). Actually, it represents a return to an idea abandoned just after World War II. To bolster their artillery units during massive attacks on German divisions, the Soviets created their "Katyusha" batteries, which consisted of multiple rails mounted on trucks and firing 12-kilogram rockets a maximum distance of 5 kilometers. Accuracy was poor, and that type of weapon was abandoned in favor of the first missiles with primary guidance.

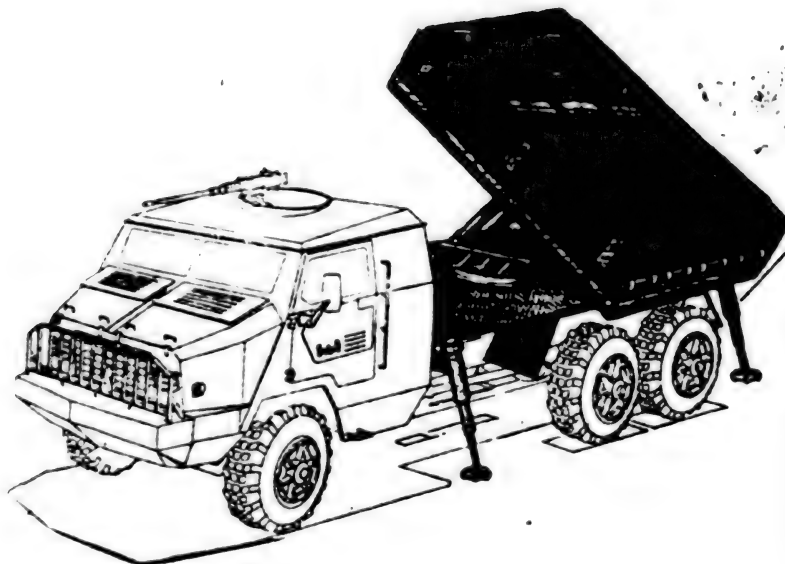
Now, however, the situation is radically different. Technological development has made it possible to produce unguided projectiles capable of covering long distances and hitting targets with admirable accuracy. An expert at the Rio de Janeiro Research and Development Institute emphasizes: "And that is where that class of equipment has again entered the thinking of all armies, since it makes it possible, at a very low price, to have high interdiction firepower."

At AVIBRAS, the subject is still considered "classified," and the firm's sales manager, Pedro Vial, feels authorized "only to confirm the existence of the project in the final phase before series production." Sources in the industry say, however, that the program was born in 1981 when the firm was asked by foreign customers to invest in the new idea. The resulting basic model reportedly then aroused the interest of at least one more Arab nation, and the result was a contract that is now being fulfilled. The first deliveries will be made between July and November and will consist of the modular SS-30 version.

#### Operation

The Astros 1 is manufactured by TECTRAN, a subsidiary of AVIBRAS Aerospace. The basic configuration consists of a heavy armored vehicle with three axles carrying bullet-proof tires and capable of carrying 5 tons in all kinds of terrain. The weapon system consists of a hydraulic mobile rail with room for four containers, each carrying eight 127mm rockets with warheads of up to 20 kilograms and a maximum range of 32 kilometers. Each salvo of 32 projectiles unleashes 640 kilograms of HE (high-explosive) munitions or combinations of anti-personnel and antiarmor charges against the selected target. The rockets are ballistic, stabilized aerodynamically, and propelled by composite solid fuel. The trajectory is calculated electronically by a small digital computer into which are fed data that the Astros 1 can use in all kinds of weather, day or night. The crew of three or four men consists basically of a commander, a rocket operator, a driver, and a gunner who operates the system's only weapon for self-defense, a 50mm NATO machinegun mounted atop the cab of the tractor. The windows are resistant to rifle and light automatic weapons fire and are equipped with retractable metal shields for protection against devices with heavier impact. Air conditioning, thermal and acoustic insulation, and anti-flame protection are provided for the crew.

The big feature of Astros 1 is its mobility. The maximum time required for firing the 32 rockets is less than 1 minute, and empty containers can be replaced by loaded containers in no more than 6 minutes. And from then on, the



The launcher is to compete with similar foreign launchers.

system can move on to another point in the theater of operations at a speed exceeding 100 kilometers per hour, thus producing a surprising multiplier effect.

#### AVIBRAS

The manufacturer of the first mobile saturation rocket system to be produced in the Third World is a firm whose activities, product line, and relevant technology only started to become partially known in 1981. In that year, after ending 1980 with exports on the order of \$4 million, AVIBRAS had sales abroad totaling \$35 million. In 1982, its sales exceeded \$90 million. Also in 1981, the firm's net profit was 4.36 billion cruzeiros. The new plant (13 buildings scattered over 130 alqueires [1 Sao Paulo alqueire = 24,200 square meters] at the Santa Branca Reservoir in Jacarei) will cost 1 billion cruzeiros in civil works alone, but it will be the Western world's largest in this specialized field. Its range of mass-produced products, which are liberally consumed in Iraq, Libya, Central America, South America, and probably Asia, extends from telecommunications systems (including parabolic antennas) to an extremely sophisticated family of rockets (from 37 to 300 millimeters) that have a range of between 3.7 and 70 kilometers and carry explosive charges of from 500 grams to 150 kilograms. Brazil's first guided missile--an antitank wire-guided missile with a range of 2 millimeters [as published]--has been in regular production at AVIBRAS for about 15 months.

### Astros 1 and its Competitors

Name	Country	Number of rockets	Caliber	Explosive	Range
Astros 1	Brazil	32	127mm	20 kg	32 km
Firos 25	Italy	40	122mm	"	25 km
MLRS	United States	12	227mm	40 kg	30 km
Rafale	France	18	147mm	22 kg	30 km
LARS	FRG	18	110mm	"	15 km
ARS 127	South Africa	40	127mm	"	20 km
E-32 RL	Spain	32	108mm	15 kg	10 km

The success of the undertaking is credited to the creativeness of its principal engineer, Joao Verdi de Carvalho Leite, who is also chairman of the firm, which he established in 1962. Back then, fresh from what was then the Aeronautical Technical Center, Verdi was engaged in building a single-engine aircraft called the Alvorada. That idea got as far as the design stage and was then replaced by the Falcao, a military-civilian primary trainer. A model using a Volkswagen engine--the Sacy--was also tested in 1963. The whole operation was destroyed by fire, and the only solution was to start filling orders from the government, which was interested in the production of propellents in general, with the approval of the National Council on Technological Research. Space activities actually began in 1965, when AVIBRAS joined the program to develop the first national scientific space probe, Sonda 1. To keep up with the 96 tests made on the rocket, the firm invested in electronic technology. And lastly, in 1970, it chose to produce war materiel.

### ENGESA Announces New Medium Tank

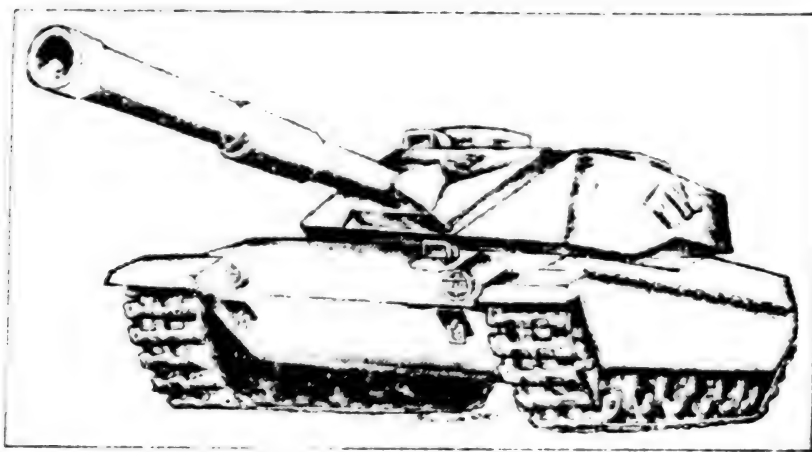
Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Feb 83 p 6

[Article by Roberto Godoy]

[Text] The biggest battle tank produced in the Third World will be an impressive 37-ton, 7-meter-long war machine. It will carry a heavy 105mm gun capable of firing high-velocity ammunition and will also have such advanced equipment as image intensifiers for night vision and a laser rangefinding system linked to electronic fire control. That is the profile of the newest Brazilian weapon, the medium tank provisionally christened the T-1--a tracked tank designed by ENGESA (Specialized Engineers, Inc) of Sao Paulo. The design has been ready since November, when the firm submitted a detailed descriptive memo to Minister of Army Gen Walter Pires. The final design of the tank was decided on only a few days ago, however, after the technical configuration had been determined.

The T-1, which like ENGESA's wheeled armored vehicles will receive a name taken from the nation's fauna, embodies technologically important solutions, examples being its extraordinarily low profile and particularly resistant armorplate resulting from a combination of steel plates of special composition. Other features: a 1,000-hp diesel engine manufactured by a supplier located in Brazil itself and a range of approximately 900 kilometers.





The technical data for the new tank indicate that it will be 2.20 meters high, 3.00 meters wide, and 6.80 meters long (vehicle) with a maximum weight of 37 tons, a 105mm gun, a NATO 7.62mm coaxial machinegun, six smoke-grenade launchers, a crew of four, a 1,000-hp diesel engine, a range of over 900 kilometers, and a speed of 75 kilometers per hour. Its price range lies above \$1 million, with various extra items. Start of production: in 1984-1985.

ENGESA is keeping the program under secret development, acknowledging only the existence of the undertaking, which was announced in 1982 by the firm's chairman, Jose Luis Whitaker Ribeiro. Military sources in Brasilia said yesterday that "following the Falklands conflict, the organization was pressured to meet a new army requirement by accelerating a project by its engineering group." Actually, there is more to it than that.

ENGESA--currently the West's largest manufacturer of wheeled light armored vehicles--has never had any difficulty in selling its products, but it has never been able to depend on purchases by the Brazilian Armed Forces to guarantee the continuation of that situation, since Brazil is only an average customer of its own arms industry. Because of that, the T-1 will also have to meet the expectations of the foreign market, which is where practically all the demand comes from, as well as growing pressure from traditional customers such as Iraq and Libya for more extensive "packages" to round out the line represented by the Cascavel EE-9 (a light armored vehicle with a 90mm gun), the Urutu EE-11 (a multipurpose amphibious vehicle with many applications ranging from troop transport to the version carrying a 90mm gun), and the small Jararaca EE-3, which is used as a command, observation, radiocommunications, or antiarmor Milan missile launch vehicle. The firm also provides various services, supplying components for armament that may have been discontinued by the original producer (Russian T-55 tanks, for example).



Tom Riddle

View of the desert from the top of the mesa

The photograph captures a stark and desolate desert scene. The foreground is a rugged expanse of light-colored, possibly sandy or silty, ground, sparsely dotted with dark, spiky desert plants. A sharp, dark, angular shadow or rock formation cuts across the middle of the frame, creating a strong sense of depth and contrast. Beyond this, the terrain rises into a series of rolling, rocky hills or mesas. The vegetation here is more varied but still sparse, with some darker, denser shrubs and trees visible on the upper slopes. The sky above is bright and featureless, contributing to the high-contrast, almost graphic quality of the image. The overall composition emphasizes the harsh and beautiful isolation of the desert environment.

huge Merkava, which had its baptism of fire in the invasion of Lebanon--are being vigorously pushed in the list of items for foreign sale by the producing nations, including the Leopard 2 and the Abrams, which are officially still considered "list-out." Is it possible to outdo them?

To answer that question, ENGESA will have to mobilize its team of 300 specialized engineers as never before. The tank must embody the possibility of modular options amounting almost to a new family of tanks. The Brazilian Army's specifications--which probably sum up international expectations in a general way--include the following: provision for an on-board computer for fire control coupled with laser sighting; a night-vision image intensifier with a magnification of 6 times (equal to that of the Leopard 2); NBC (nuclear, biological, and chemical) protection; ease of operation (a steering wheel instead of directional levers, automatic transmission, filtered air conditioning, and an infrared thermal sensor making it possible to "see" residual heat, not only that from concealed enemy targets (in the forest, for example), but also that left behind after a target has passed by), and improved radiocommunication facilities.

To determine the optional items that can be added to the basic configuration, technicians made use of figures gathered statistically, which indicate that 2 percent of the shots fired against tanks are fired at the rear section, 8 percent are fired against the lateral walls on the right and left, and 82 percent are aimed at the front. Conclusion: the modern tank is essentially an attack weapon.

#### Continent

On the South American continent, the T-1 has no competitor in its own class. The only tank in regular production is the 30-ton Argentine TAM, a technological package designed by the Thyssen-Henschel firm at the request of the General Staff in Buenos Aires. It is a fast but relatively fragile assault vehicle that is unprepared for the arrival of kinetic-energy ammunition, which consists basically of a dart made of rods of depleted uranium, an extremely hard material which, on being fired at supersonic speed, pierces any kind of armor. The energy released on impact produces temperatures on the order of up to 6,000°C. Dependence on others for the supply of parts creates serious difficulties that were felt by the Argentines during the conflict in the South Atlantic, when about 120 units were immobilized in Cordoba awaiting material from the FRG that could not be shipped because of the embargo decreed by the European Economic Community.

The inventory of tanks in this class that are really operational in South America shows great imbalances. Argentina operates M-4 Sherman tanks from World War II and its own TAM's and is probably buying an unknown number of U.S. M-60's in their Israeli version. Chile has the French AMX-30, has had its fleet of M-41 Walker Bulldogs from the 1950's modernized in the United States, and is considering the purchase of the new AMX-32. Colombia has purchased a complete force of Cascavel EE-9's and Urutu EE-11's from ENGESA in Brazil and is therefore a potential customer for the T-1, although it has received a bid on an unspecified number of M-60's assembled in Israel. Ecuador has a small squadron of M-4's, and its military want to replace the old Shermans by 1984. Paraguay also uses

the M-4. Peru recently announced the arrival of new Russian tanks, probably T-62's, which would be added to the old T-54's and T-55's that were procured under Juan Velasco Alvarado's administration. Uruguay, which has no money, has received some military aid from Brazil in the form of supplies of materiel. There is a study from 1981 suggesting that a firm be hired to handle the possible modernization of the M-41's (23 tons, 76mm guns). Venezuela, which is carrying out a broad reequipment program, uses the French AMX-30 and wants that tank's successor, the AMX-32, with a 120mm gun. It reportedly has also bought 40 units of the Argentine TAM.

#### Minesweeper, Antimissile Gun, Submarine

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Feb 83 p 6

[Text] Porto Alegre--Before this year is out, Brazil may start building minesweepers and minehunters based on foreign technology. The program is dependent only on the funds available to the Ministry of Navy, and it already has a guaranteed foreign market. The firm that will supply the technology is committed to exporting two units for every unit placed on the domestic market. That information was provided yesterday in Porto Alegre by Minister of Navy Maximiano da Fonseca during a visit to the Inter-American Shipyard, which has the technology for building vessels of the types in which the navy is interested.

Maximiano could not say when construction would begin, claiming that it would depend on the availability of funds. If it were up to the admiral, construction would already have started, "but the country is in difficulty." He estimated that each ship, including armament, would cost about \$10 million at today's prices.

Maximiano announced that the Brazilian Navy would need at least 12 minesweepers, whereas it has only six, and that it would need four minehunters, of which it has none. His first objective, therefore, would be to meet those requirements, which he considers a minimum.

#### Antimissile Gun

The minister of navy announced that a prototype of the antimissile gun designed by the Navy Research Institute will be built as soon as a technical problem with reloading has been solved. Depending on the results with the prototype, construction will then begin. He explained that an attempt is being made at Coester Electronic Equipment, a firm located 30 kilometers from Porto Alegre in Sao Leopoldo, to solve that problem. Coester Electronic Equipment belongs to the inventor of the Aeromobile (an air-propelled aircraft being built in the capital of Rio Grande do Sul). Maximiano also visited that plant yesterday in the company of advisers and departmental directors from the Ministry of Navy, but he provided no further details on the stage reached in the studies--which were commissioned from Coester last November--and expressed regret that the news had been reported so far in advance. He said: "That gun can fire up to 18,000 rounds per minute."

## Submarine

The minister also announced that construction of the medium-tonnage IKL submarine may begin in the FRG within 2 months. That submarine was ordered from the FRG with a parallel commitment attached: it will receive long-term financing, but the FRG is also granting Brazil a loan equivalent to the vessel's price: between \$80 and \$100 million. According to the minister, the start of construction on the submarine is awaiting only the release of the credit. Six months after that, construction of the second submarine of that class will begin in Brazil in order to transfer the technology. The minister added that any additional submarines that may be needed will be built in Brazil. He explained, however, that there is no interest in acquiring or producing military weapons with nuclear warheads for use on ships and submarines: "There is neither the intention nor the need."

Maximiano also emphasized that we must export as much as possible in the way of arms and vessels, "because if we can export, we will make our production viable. Brazil cannot sustain a military industry that relies solely on our orders. The solution is to export."

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CSO: 3342/62

## POSSIBILITY OF AVIBRAS MISSILE PLANT IN PARANA DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Feb 83 p 6

[Text] Curitiba--The Parana government confirmed yesterday in Curitiba that negotiations are underway with AVIBRAS Aerospace concerning the construction of a missile and rocket plant on that state's coast. The same plant was rejected last year by the residents of Ubatuba in Sao Paulo, who were afraid that it would cause environmental problems in the area. According to Norberto de Souza Coelho, director of the Industrial Development Center (CENDI), an agency of the State Secretariat of Industry and Trade, the state government has already offered the firm several areas that would provide suitable sites for the plant, but so far it has not received a definite answer.

Norberto Coelho declined to name the municipalities in which the areas being offered to AVIBRAS are located, saying that for the moment, the talks are still in a "preliminary phase." He gave assurances, however, that before authorizing construction of the plant, the state government will analyze "carefully" all the ecological problems that the project might cause. He guaranteed that if it turns out that the plant will be a serious cause of pollution, the project will be rejected by the Superintendency of Water Resources and Environment (SUREHMA).

Other information obtained from sources close to the war materiel industry in Campinas reveals, however, that the Parana government has not only offered sites for construction of the plant: it has also formally invited AVIBRAS and 14 other firms in various sectors to locate in the state. The firm reportedly has not yet responded to the offer because it is studying other favored areas in Sao Paulo. According to those sources, the AVIBRAS project for Parana involves only a storage facility for chemical materials used in the manufacture of rocket fuel and not a missile plant.

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CSO: 3342/62

## BRIEFS

NEW SNI BRANCH CHIEFS--Brasilia--The chiefs of the National Intelligence Service (SNI) branches in Rio de Janeiro and Belo Horizonte will be changed as a result of professional career changes by their present occupants. The chief of the SNI branch in Rio, Brigadier General Luiz Henrique de Oliveira Domingues, was transferred to the paid reserve by virtue of application of the law of compulsory quota in the army. The name most mentioned to replace him is that of Artillery Colonel Pacifico Barbosa, currently SNI chief in Belo Horizonte. Colonel Pacifico is going to be promoted to brigadier general on 31 March. The former chief of the SNI branch in Goiania and former commander of the military police in Rio de Janeiro, Colonel Edgar da Silva Pingarrillho, who handed over his command the day before yesterday, will assume a new position in the Central Agency of the SNI in Brasilia. Another former SNI chief in Recife and former military police commander in Rio de Janeiro, Colonel Nilton de Albuquerque Cerqueira, has just been appointed by President Joao Figueiredo to the position of military attache to the Brazilian Embassy in Ecuador. In the midst of this reshuffle of officers connected with the intelligence community, rumors persist that the chief of the Central Agency of the SNI, Major General Newton de Oliveira e Cruz, will return this year to his respective roster in the army, where he will contend next year for the promotion for general of the army. However, there is nothing to prevent General Newton Cruz from contending for the promotion in the capacity of a detached service officer, as chief of the Central Agency, like the chief of the SNI, Major General Octavio Aguiar de Medeiros, who will also contend for the rank of general of the army the beginning of next year. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Feb 83 p 5] 8711

SAO PAULO GRAIN CROP DROP--Sao Paulo--The national grain crop this year will be 10 percent smaller than that for 1982, mainly because of the heavy rains that fell during the past 90 days in the production centers of the south-eastern region of the country, which caused the appearance of blights. The information was revealed by the president of the Brazilian Rural Society (SRB), Renato Ticoulat, who will be at Planalto Palace today at 1600 hours for an audience with President Figueiredo about coffee-growing. Ticoulat explained yesterday that the area planted in grains in Sao Paulo has declined 5.7 percent, according to a study by the Institute of Agricultural Economy of the Sao Paulo Secretariat of Agriculture. According to him, the reduction stems from the low prices offered to the farm producers and also "the little



importance that is given to agriculture in this country today." The president of the SRB again spoke of the price to the farm producer: last year, with an inflation rate of 100 percent, the prices of agricultural products increased only 70 percent. The farmer suffered a real loss of 30 percent. Ticoulat warned that farmers are going over to livestock production. "There is a logical explanation for that which lies in the operational cost. It is cheaper to raise cattle than to take care of crop land. Rains, for example, washed away the applications of fertilizers causing great losses while cattle remained unscathed." [Text] [Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Feb 83 p 19] 8711

CSO: 3342/75

## SUPPORT FOR PCC PLENUM RESOLUTION CONTINUES

## CDR Statement

Havana TRABAJADORES in Spanish 7 Jan 83 p 4

[Text] Nineteen-eighty-three is the year in which we celebrate the 30th anniversary of the assault on the Moncada Barracks and the 130th anniversary of the birth of Jose Marti, the man who inspired it. The blood generously spilled by the heroes and martyrs of 1868 and 1895 and during the ongoing struggle waged by the Cuban people, a struggle that achieved epic moments of self-sacrifice during the Revolution of 1930, followed subsequently by the legendary assault on the Moncada, the landing of the Granma, the saga written during the guerrilla fighting in the Sierra Maestra and the victorious confrontations in the plains and cities, all of this makes us more committed than ever to the beautiful task of our triumphant revolution.

The masses organized in the Committees for the Defense of the Revolution (CDR), the bearers of the unconquered standards that have waved since 28 September 1960 with their sparkling accomplishments in defending and furthering the revolution, are today more committed than ever to honoring this historic year of the homeland with performances that meet the requirements set by the Sixth Plenum of the Central Committee of the Cuban Communist Party.

The CDR's, genuine outgrowths of the assault on the Moncada, combat squadrons that identify fully with the ideas of scientific socialism, under the leadership of the party and of Fidel, consistent with the economic, political, ideological, historical and social needs in building our new society and in response to the plans, threats and provocations of the current Yankee government leaders, are placing all their forces on the alert during this year in which the entire nation commemorates the 30th anniversary of the Moncada, to help make it another triumph for the socialist homeland.

The members of our organization, supporting the proposals put forth by the Sixth Plenum of the Central Committee of the party, are prepared to perform the following tasks and activities with the utmost combativity, quality and efficiency:

1. To bolster revolutionary vigilance by performing their crime prevention activities more thoroughly than ever 24 hours a day. The two shifts of the People's Guard will eloquently demonstrate the high level of CDR combat readiness through its massive turnout and earnest performance of duty.
2. Each CDR member will become a watchful monitor of water and power conservation in his home, on his block and at his work place, while making his family and entire community a part of this effort. The recovery of raw materials, the rational use of resources and minimizing the use of oil are top priority activities because of their importance to our economy.
3. To have every CDR member become a voluntary blood donor, thus bearing out our people's humane spirit of common cause, and to make our organization a bastion of disease prevention in which our members become earnest observers of health care standards by taking the necessary steps to prevent infectious and contagious diseases, as well as other measures, thus helping to achieve the goal set by Fidel of creating the conditions to make Cuba a showcase of public health care and "a world medical power."
4. To support all activities aimed at further developing and enhancing education, in particular: the Movement of Exemplary Parents in Education, the People's Schools for Parents, the delegates to the School Boards and the Battle for the Ninth Grade, as well as helping to make the current school year, at all institutions and at all levels, one of higher quality, greater student retention and larger graduating classes.
5. To help raise and bolster the political and ideological level of our people by further developing the mechanisms that are in place, particularly the level of membership and involvement in the Political Education Circles; to apply proper standards and methods consistent with the principles of democratic centralism in each organization in its permanent links with the masses and in the systematic use of direct propaganda aimed at guaranteeing the work programs and the general and specific projects of the revolution on the national, provincial, municipal and community levels.
6. To devote special attention to the massive and efficient development of volunteer work; to support in every way the current sugar, tobacco, coffee and other harvests; to support with all our strength the efforts of the organs of People's Government; to boost productivity; and to raise the communist conscience of women and further their involvement in tasks of responsibility within the ranks of the CDR's.

The Committees for the Defense of the Revolution, conceived by Fidel in the Public Square, the heirs of our most beautiful traditions of struggle and combat, the outgrowth of our people's revolutionary development and the legitimate sons of those who on the dawn of that historic

26 July 1953 wrote one of our homeland's most beautiful pages of history, will honor the heroes and martyrs of the Moncada and Marti by marching with a firm, confident step towards fresh socialist victories.

The National Executive Secretariat thus calls on all rank-and-file organizations and members of the CDR's to struggle with perseverance, discipline, stoicism and exemplary communist spirit to make good our commitment to the party, the government and Fidel.

If we are happy today and if our land is free and sovereign, we owe it to men like Marti, Maceo, Maximo Gomez, Mello and the heroic fighters who stormed the Moncada Barracks. We are prepared to work and struggle for those who have fallen, for the children of today and for the men and women of tomorrow, shedding our last drop of blood for the ideals of Marx, Engels, Lenin, Marti and Fidel.

The actions of this powerful army of the organized people can be seen every day in production and defense efforts, and by supporting the pronouncements of the Sixth Plenum of the Central Committee of our Cuban Communist Party, they are once again telling their party and their commander in chief that in both peacetime and wartime the masses organized in the CDR's will perform with accomplishments commensurate with the deeply felt homage that is due the 30th anniversary of the assault on the Moncada Barracks and the 130th birthday of its inspiration, Jose Marti. "With the heroism of the assault on the Moncada, every effort towards a victorious January."

#### Risquet Speech

Havana TRABAJADORES in Spanish 21 Jan 83 p 4

Speech by Jorge Risquet, member of the Politburo of the Cuban Communist Party, at the closing session of the National Plenary Assembly of the Union of Communications Workers; date and place not given]

Text: This is the first month of 1983, the year that marks the 30th anniversary of the glorious exploit against the Moncada.

At the Sixth Plenum of the Central Committee and at the close of the Second Session of the National Assembly, Fidel described 1982 as one of the toughest years of the revolution.

Last year was marked by the threat, which at times seemed imminent, of Yankee military aggression against our country.

Exasperated by the rise of the revolutionary movement in Central America and the Caribbean, Mr Reagan's administration and the White House's most reactionary, warlike and fascist agents constantly proclaimed that the solution to the crisis in Central America was to attack the source, in other words, to attack Cuba.

The resolve of the Nicaraguan people under the leadership of the Sandinist Liberation Front and their march towards a social system of progress and justice, independence and freedom; the bravery of little Grenada, guided by its vanguard party, the New Jewel, and its leader, Comrade Bishop; the indomitable struggle of the heroic Salvadoran people, who are determined to defeat the country's genocidal clique and imperialist intervention; the mounting combativeness of the Guatemalan people; this erupting revolutionary volcano in an area of the world that the American imperialists regard as their backyard and "mare nostrum" is causing sleepless nights for Mr Reagan, the White House, the CIA and the Pentagon. Blinded by its hatred for nations, reacting on a gut level and incapable of understanding the objective march of history towards freedom and social justice, the current administration is endeavoring to make the world believe that the cause of these rebellions is Cuban-Soviet intervention. It is not fooling anyone, however; not even the United States' Western allies believe this. Everyone realizes that the actual underlying cause of the rebellions by the peoples of Nicaragua, El Salvador and Guatemala is the oppression, poverty and terror to which the rotten regimes there and their imperialist masters have subjected these peoples.

Just as Somoza's tyranny was blown to smithereens, time is running short for the bloodthirsty, genocidal military dictatorships of El Salvador and Guatemala. The proposals for an honorable negotiated peace to put an end to the bloodshed and tension in the region, proposals put forward by the patriots and seconded by many countries in Latin America and throughout the world, have fallen on deaf ears in the Reagan administration, which is obstinate about propping up its repugnant lackeys to the bitter end.

The revolution did not vacillate in the face of the threats of Yankee aggression against our homeland. Our revolution has never vacillated and will never vacillate.

Our response to the threats and provocations was to further bolster the defenses of the homeland.

Our response was to organize, train and arm a half million men and women, young and old alike, in the Territorial Troops Militias.

Our response was to build air-raid shelters for our equipment and installations, to protect them against any surprise air attack by the enemy.

Our response was to ask our loyal friend the Soviet Union to provide us with weaponry, which is supposed to arrive over the coming 5 years.

Our response was: "We are not afraid of you imperialists."

Our response was: "The men and women of Cuba are prepared to live with their revolution or to die beside it."

These were the dangers that Cuba faced in 1982. The danger has not passed. The Yankee imperialists have not relinquished their sinister designs, are still pursuing their insane arms buildup, are still pushing the world to the brink of a nuclear catastrophe and are still attempting to undermine socialism, to thwart the liberation struggle of peoples and to turn back the clock of history.

At the same time that the country was living under the threat of aggression, our economy was also feeling more strongly the effects of the world capitalist crisis, the tightening of the Yankee economic blockade and the low sugar prices, all of which worsened as never before our shortage of freely convertible foreign exchange, so much so that we had to propose a rescheduling of our foreign debts.

In other words, it was a dangerous, tough year. Our people never became disheartened; rather, they rose up higher than ever. Our working class put forth greater efforts than ever, poured out torrents of sweat and was lavish in its labor heroism. More efficient labor and greater work discipline were achieved in all branches of the economy, as reflected in the expansion of the gross national product in spite of the adverse world economic conditions.

Our workers did everything that could be expected of them. Our economic difficulties are objectively beyond our control; they are imposed on us from the outside, from a crisis-ridden capitalist world, by unequal trade, the criminal blockade and the disastrous sugar prices, which in turn stem from the relative contraction of the market and the increase in sugar output subsidized by the major capitalist powers..

What is 1983 going to be like?

The Sixth Plenum's resolution explains this clearly and tells the people what they have to do and how we have to work to cope with the difficulties.

We have always summarized thus what has to be done: carrying out the country's five-year economic plan.

This time, however, this capsule statement does not reflect all that we must do nor does it define the main task.

One of the characteristics of our situation in 1983 is that the approved five-year economic plan cannot count on, from the outset, all of the supplies we need from the capitalist area.

The country does not have all the freely convertible foreign exchange it needs to defray the expenditures that the plan entails.

So how are we going to execute a plan without sufficient material backing?

That is the key question. We will have to obtain the remaining funding for the plan from whatever savings we can achieve.

To accomplish this the main tasks are:

1. To meet and exceed production goals for these export items: sugar, fish, nickel, tobacco, citrus fruits, cement, etc (Not only must we meet production goals for major products, but we must also make sure of minor sources of revenue, such as exports of the seals that you produce, the possibilities that were raised here in connection with quartz and pay telephones).
2. To produce domestically items that we now import from the capitalist area (Many examples have been cited in this regard).
3. To conserve fuel, lubricants and electric power. Everything that we save on in this sphere will turn into foreign exchange.
4. To manufacture and salvage spare parts, especially the ones that replace capitalist imports.
5. To conserve in every area, such as raw materials and supplies, and to prolong the useful life of equipment and accessories, especially whatever originates from the capitalist world.

You have proposed a specific plan in this regard that involves the following numbers:

A total of 1.629 million pesos in freely convertible foreign exchange, through innovations and rationalizations, the manufacture and salvaging of spare parts, the overhaul of equipment, and fuel, lubricants and electricity conservation.

This is part of a 3.5 million peso contribution in all currencies.

You are also proposing to earn 1.5 million pesos by exporting seals to the capitalist area.

The plans drawn up by several enterprises and whose contributions are not all included in these preliminary figures, will sharply increase the amount involved in these pledges. The plans submitted by the Integrated Enterprises of Havana, Camaguey and Ciego, by the shops enterprise in the capital, by Inter-Cuba and by the National Long-Distance Enterprise testify to this.

Hence, everything that you can contribute is not included here. We must regard these pledges as preliminary. I am certain that when the workers assemble at each work center to discuss this specific point (the production and conservation of everything having to do with capitalist foreign exchange), many new suggestions from the workers will enrich the plan, and the communications workers will make further contributions to the efforts of our entire working class during the "year of the 30th anniversary of the Moncada."



The intelligence of our workers, innovators and rationalizers and of the Youth Technical Brigades is playing a decisive role.

We were saying that our workers and our entire people had done good work last year, that is to say, with greater efficiency, productivity, discipline and quality.

The communications workers did their share to achieve this success.

The rundown given by the minister indicates your accomplishments. Gains are also noticeable in the union's internal tasks. Special emphasis was placed on quality. The Second National Plenary Assembly on Quality made appreciable gains in relation to the first one in 1981, which set in motion this organized movement to enhance the quality of services

I would like to especially underscore the efforts of the telephone branch. We shared the joy of the International Long-Distance workers when they reached a million calls and then achieved their goal of more than 1.2 million calls. We also congratulate our comrades in Domestic Long-Distance, who achieved their tough goal for the year of 1.74 million calls. And then there is the Santiago telephone center, which handled a record 880,000 calls.

Also worthy of mention is the work of the telephone brigades in Havana, which have had to contend with the damage caused by Hurricane Albert and the flooding and repair tens of thousands of phone lines that went dead. Through titanic efforts they managed to reduce this to the record figure of fewer than 2,000.

And we must not forget to send greetings to the Claudio Arguelles Brigade, which is hard at work in the cane fields and has already cut the first million of the 5 million arrobas (1 arroba=25 pounds) it has set as its goal.

The coaxial cable, the great joint undertaking of construction and communication workers, moved steadily eastward in 1982. We have no doubt that by 26 July, in homage to the heroes and martyrs of the Moncada, the capital of socialist Cuba will be linked to the birthplace of the revolution by the coaxial cable.

Various documents, work plans and commitments by the communications workers, their national union and their ministry have been approved here as a salute to the 30th anniversary and to the 15th Congress of the Central Organization of Cuban Trade Unions.

We are confident that these work plans and commitments will be met.

When this tough year of working against difficulties draws to a close, we will reach our 20th birthday, the first victorious quarter of a century of our socialist revolution, the first on this continent, the loyal offspring of the other great revolution that marked a new

in our nation's history, the Great October Socialist Revolution that  
began directed, the legitimate offspring also of our patriotic revolutions  
of 1895 and 1895, the revolutions of Cespedes, Agramonte, Maceo, Gomez  
and Martí. These 130th birthday we also commemorate this year.

We will celebrate the first quarter of a century of Fidel's, Camilo's  
and Che's glorious revolution.

The years will come and go, and we will reach a half-century and a  
century. Because this revolution will endure through the ages.  
While Yankee imperialism is already part of the junkpile of history,  
revolutionary Cuba will continue standing firm in the Caribbean and  
will have built socialism and communism.

With boundless faith in the bright future that we are building with  
our own hands and that we are defending with our own blood, we look  
towards this difficult year of 1983 with resolve, courage and boldness,  
confident that it will be another year of triumphs.

Forward, communications workers, under the guidelines of the Sixth  
Plenum of the Central Committee!

With our self-sacrificing and efficient work let us render our finest  
tribute to the immortal exploit of the Moncada!

Long live the Socialist Revolution!  
Long live the working class!  
Long live the Communist Party!  
Long live proletarian internationalism!  
Long live our invincible commander in chief, Fidel !  
Fatherland or death, we shall overcome!

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(25-11)

## FLIGHT TRAINING FOR AIR FORCE PILOTS DESCRIBED

Havana VERDE OLIVO in Spanish No 5, 3 Feb 83 pp 34-39

[Article by Rolando Pujol: "University of the Air"]

[Text] Juan Mario was a little nervous; why deny it? It is very natural for this to occur when one is in such circumstances. Therefore, it should not be considered surprising that he was sweating profusely under his overalls, despite the fact that the air conditioning in the cockpit was sweeping over him with its icy mist.

His first flight...the long-awaited time had finally come to feel, almost with his fingers, the blue color of that vast and still mysterious ocean floating over his head.

But now he does not have much time left for poetic digressions, because he is faced with that entire maze of dials and indicators which, like restless little elves, are moving their needles while simultaneously jabbering in their peculiar jargon....

The instructor's voice, in a serious tone, reached him through the headphones from the rear cockpit, reminding him, in order, of each of the tests preceding the take-off.

Juan Mario listened almost without hearing, and wondered why, when during the courses everything had been understandable to him, and might even be claimed to have been relatively easy, now at his first training flight he had become ridiculously lost among the indicators on the panel, as if he were inside a dense labyrinth, unable to do what he was supposed to do. "Be calm and collected," he advised himself, until he gradually found the solution.

Then his hand pressed the knob of the gas selector forward, with assurance, and he perceived, more from touch than from sound, the tremendous force being released through the nozzle. He repeated the motion several times, shifting it from minimum to maximum power. In all of these, the engine responded obediently, like a newly tamed colt. Then he moved the stick and the pedals; the controls of the wings and the tail rose, descended or veered from right to left; and, finally, he pulled in and stowed the flaps, and the aerodynamic brakes. From outside, the technician raising his finger, gave him a sign that everything was all right.

"It is all right, now I do believe that we are going..." he concluded inwardly, upon hearing the instructor's voice once again, this time asking permission from the control tower to begin taxiing to the central part of the runway.

The broad strip of concrete appeared before him with the steamiess of a mirage, which gave him the impression of being covered by large pools of water.

He released the controls, and the instructor took full charge of the firing order.

The glaring late-morning sun was drawing clear beams from the plexiglass of the hood, which forced him to half-close his eyes for a few seconds. When he opened them, the runway was already moving rapidly under the wings, and the blue ceiling, imposing in its immensity, was opening up in the welcoming embrace of the clouds.

A deep emotion overcame him. With an enthusiastic gaze, he did not miss any details of those very beautiful nearby mountains, with their decline of emerald tones in the multiform cover of vegetation, and the curving, blurred horizon, on which he tried to find the most distant visible point.

New impressions overwhelmed his senses, without sufficient time to categorize them mentally. The veteran pilots at the school were right when they said that flying is like a strong elixir which, once it has been injected into the soul, is very difficult to give up.

For cadet Juan Mario Chavez, a student in the first course at the DAFAR's [Revolutionary Air Force and Antiaircraft Defense] Aviation Pilots Military School, his life would be dedicated entirely to the demanding university of the air....

In the Blue Ceiling

Free of the belts and straps that were tying him to his seat, Juan Mario almost leaped to the ground with a joyful expression on his face.

His companion did the same, and both joined in a firm handshake.

"You did a good job. Later, in preparing for tomorrow's flight, we shall stress what the mistakes were, all right?"

"Yes, Comrade Instructor."

They promptly separate, with a military salute, and the instructor heads toward his other airplane, in which a new student is waiting for him to soar aloft.

He did not let Juan Mario escape, and catch him with a congratulatory remark before he joined the group, which is waiting to congratulate him and to find out the details of the flight.

He asks: "Tell me, how was the ascent, and what did you do up there?"

"First, I shall tell you that we had already flown previously in the glider, on which we received the basic notions about piloting. When I boarded the jet today,

I had the idea that I would experience something very similar to the sailing flight, although, understandably, at greater speed."

"At the takeoff, I began to sense the complexities of jet aviation, in which the pilot is forced to devote a great deal of attention and energy. For example, he must keep complete control over the operation of the engine, without losing contact or bearings in space; and he must see to the electrical systems, the landing gear, the hydraulic pressure, in short...."

"And what was the most thrilling moment for you?"

"When the instructor turned over the controls to me in the air... imagine; how one feels at that time is not easy to summarize in words.... One sees the airplane, with its hundreds of large and small mechanisms; it does what it is told, flies where we steer it, and rises or descends with a mere movement of the hand. It almost seems like a dream, finding oneself in the cockpit 1,000 meters aloft, traveling at hundreds of kilometers per hour...."

"What impressed you most, the takeoff or the landing?"

"The landing: it occurs very quickly, and it was almost impossible for me to do everything that had been planned. Fortunately, the instructor was with me...."

"But that will not cause you to dislike flying again...."

"Of course not, one does not even ask such a question; I am here as often as necessary, ready to conquer."

To Reach the Flight Ramp

"Ready to conquer," the last comment made by Juan Mario, reminded me of what I had observed the day before, when we were touring the classrooms of the school, its athletic fields and the ground trainer.

While I was thinking of this, we reached the welcome shade of the "little umbrella" in the rest area, where we happened to meet Cadet Raul Arzuaga, who was awaiting his turn to board the aircraft.

"Why such a serious look as that?"

"It is nothing, just that, according to the flight plan, I am one of the last to take off."

"So that you will remove that 'scowl," I suggest something to you: help me to continue with my article, and in that way the waiting will be shorter for you; all right?"

"All right, ask me anything you want...."

"Tell me in detail what living at the school is like, and how you arrived here."

"Before reaching aviation school, we were subjected to a strict medical checkup, done by specialists in aviation medicine. Some comrades in our group did not pass it, but they did not waste their time, because they were given the opportunity to opt for other military careers."

"What did the doctors require of you in that examination?"

"Excellent physical and mental condition; not having any cardiovascular ailments, nor any in the bone structure; and having good reflexes and satisfactory respiratory capacity."

"In your field, one must have good skills and a high level of discipline. What courses are given to you in that area?"

"It must be said, first of all, that the studies plan is on a scientific and technical level in keeping with the requirements acknowledged all over the world for this occupation.

"We took basic subjects, in which we learned all about the construction details. When we progress into the practice phase, we have to prepare ourselves to master the various piloting maneuvers, with their varying degrees of complexity. Furthermore, like all the military, we are given courses in infantry, regulations, defense against mass extermination weapons, and use of infantry weapons. And we should also stress, as a very important part of our studies, the Marxist-Leninist training in the history of the working class and its revolutionary struggles, as well as other subjects which enhance and bolster our proletarian ideology."

"But, after all this, I imagine that you would not have much time left for recreation...."

"On the contrary; you must not think that the cadet's life is plagued only with effort and sacrifice. After all, we are young like others, and we also need to 'relax.' For the pilot, rest is required as another task, because it has a great influence on his physical and mental health. For the same reason, the school guarantees us free time, as something inviolable, as well as suitable places to spend it. The club is at our complete disposal, with various areas, including those for television, music, table games and a library. Also, in the afternoons, when the class schedule is finished, we can use the athletic fields; and on weekends, we go out on leave...."

As Smith goes by, almost running, and slaps Raul on the shoulder; he immediately realizes what is going on, and interrupts the conversation. He tells me that it is nearly his turn to fly. We wish him luck, and watch him leave, while hastily adjusting his helmet, amid the increasing roar of the engines.

#### Planting Seeds on the Furrows of the Sky

The training airplane has double cockpits: one in front, where the student sits, and another in back, for the instructor. Both compartments are similar; they have the same controls and the same indicators, and identical flight maneuvers can be made with all of them. So, the major difference lies in the men.

The one in front still feels like a small child taking his first little steps; the one in back has already traveled sufficiently, and intends to teach the former to walk.

They will spend a great deal of time together in the air, until the occupant of the front cockpit can finally flap his wings by himself, and graduate as an air fighter.

On that day, there will not be any greater pride and satisfaction for the instructor pilot, because he has left well planted a new seed in the furrows of the sky.

On the flight ramp itself, during a brief break, we met Maj Evelio Brito Nerey, a flight instructor with 15 years' experience in the field.

We immediately observed in him the qualities inherent in the nature of the educator, who unassumingly devotes all his energy to the endeavor that he is performing.

Impassioned by the results of his effort, Maj Brito Nerey described to us many interesting features of the young pilots' training. He stressed that the instructor's successful work is backed by a thorough understanding of the individual qualities of each of his students, from a psychological, cultural and social standpoint; which, when combined with the information later supplied by the course evaluations, makes it possible to devise the strategy to be pursued in the teaching and learning process.

We inquire: "Then, when they board the aircraft, you already have an accurate notion of how each one is going to act in the air."

"Exactly, we already know how to direct his steps. By way of comparison, we would say that there are cadets who are more lively and more restless, and who want to do everything by themselves immediately. That is a good quality, because it shows initiative and assurance, but it must not be allowed to get out of hand. Too much confidence is dangerous, and it entails situations which could become uncontrollable for the instructor himself. On the other hand, there is the withdrawn student, who is afraid of being let loose in the cockpit. We work on him to bolster his confidence and to show him his own strengths."

"During the flight exercise, on which areas of the training do you fundamentally concentrate your effort?"

"In having the youth, from the outset, learn to divide his attention suitably among the various piloting maneuvers. This is important, because the time that we have in the air is very limited, and in the airplane it is essential to keep track of many details. It is humanly impossible to keep track of all of them simultaneously, and hence the student must learn to give proper priority, which he must do at all times. Teaching this takes quite awhile, and a great deal of practice in the air."

"And what happens if someone makes a mistake?"

"We attempt, primarily, to prevent the student from feeling crushed by this; because in this phase of the training, mistakes are considered something normal in the

instruction process. Then a thorough analysis is made of the cause which prompted it, and the best solution is sought, giving him encouragement and assurance."

"Has the fact that you work at the EMPA [Aviation Pilots Military School] brought you any benefit of a professional nature?"

"Of course it has been great experience, because the cadets are not the only ones who learn; we too have gained many lessons on the best way of conveying our slight knowledge to others; something that is not always possible to achieve successfully. Moreover, the opportunity that we have to delve into the study of humans is invaluable, seeking the most correct educational methods with which to smooth the rough spots in their nature and to allow their best virtues to flourish; for the latter are so necessary in those who, some day, will become our replacements, and the Fatherland or Death pilots of the revolution...."

Nerey now focuses his gaze on a small point which is gradually enlarging in the heavens. Now that it is close to the ground, its beautiful, stylized lines are detailed, as they pass quickly, in a smooth landing, over the runway connecting with the by now familiar environment of the airfield. Then the plane slowly moves until it takes its place on the parking ramp. The roar of the engine ends in a murmur, which becomes silence. The technician released the locks on the cockpits, and raises the hood of the first one, where a future staunch defender of our skies, beaming, has just seen the light.



## JOINT COMMUNIQUE ON ALMEIDA'S VISIT TO MAURITIUS

Havana GRANMA in Spanish 19 Jan 83 p 7

[Text] The vice president of Cuba, His Excellency Juan Almeida Bosque, paid an official visit to Mauritius from 13 to 16 January 1983. The vice president was accompanied by His Excellency Oscar Oramas, vice-minister of foreign relations; His Excellency Aldo Pena Enriquez, Cuban Ambassador to Madagascar; Bernardo Munoz, a Department of Foreign Relations officer; Alfredo Burgos, counselor for cooperation and Evangelio Hernandez, first secretary of the Cuban Embassy in Madagascar.

In view of the close relations between the peoples of the two countries the prime minister of Mauritius expressed his pleasure over the Cuban vice president's visit to Mauritius.

During his visit to Mauritius, the Cuban vice president was given a spontaneous welcome. The vice president had an opportunity to meet with Mauritian leaders and to come into contact with the public in general.

The Cuban vice president and the Mauritian prime minister held talks on cooperation between Mauritius and Cuba and about international matters of mutual interest. The talks were held in an atmosphere of friendship and understanding.

The Mauritians and the Cubans agreed to increase their bilateral relations so as to strengthen their cooperation in all areas.

The Cuban delegation spoke in praise of the sustained struggle by the Mauritian people to win independence, sovereignty and territorial integrity and in praise of the program being carried out by the present Mauritian Government to develop the nation for the good of the people.

The Cuban delegation also acknowledged the rightful stand of the Mauritian Government and people in their demand for the reestablishment of sovereignty over the Chagos archipelago and, especially, over the Island of Diego Garcia, where the American naval base is a permanent threat to the security of the states in the area.

The Mauritian delegation expressed its esteem for the Cuban people, whose struggle in defense of their sovereignty and territorial integrity and efforts to build a more just society, inspired by the example set by National Hero Jose Marti, has set an example and provided stimulus to the peoples who are struggling for their national and social liberation. The Mauritian delegation members also expressed their satisfaction over the consolidation of the power of the revolution in Cuba and on the successes achieved by the Cuban people, led by President Fidel Castro Ruz in their political, economic and social development.

Both delegations called for respect for the legitimate rights of the Namibian people to national independence under the leadership of SWAPO [South-West African Peoples Organization], their only legitimate representative, and they urged that the UN resolutions--especially Security Council Resolution 435--be complied with and that the delaying tactics aimed at imposing a neo-colonial solution to the Namibia problem be put to an end. Both delegations vigorously opposed all attempts to make the withdrawal of the Cuban troops from Angola a condition for Namibian independence. Both parties recognized that the Cuban forces went to Angola at the express request of the Angolan Government. To link these matters was described as a stratagem aimed at delaying the decolonization of that brother African nation and thus to continue acting contrary to UN Resolution 435.

Both delegations stressed the importance of the role of the OAU [Organization of African Unity] in support of the African peoples' struggle and its contribution to the strengthening of the African nations' actions to erase colonialism, racism and apartheid. They called on the African states to work together to strengthen that organization and to promote unity and cohesion among its members.

Concerning the situation in Latin America and in the Caribbean, both parties agreed that important changes are taking place in that area and welcome the democratic process being carried out by the peoples of the region in defense of their independence and self-determination.

Both delegations agreed that peace and stability can be restored in many countries in that region if the democratic process is adhered to and all parties involved join in the task of national construction.

Both delegations expressed their support of the brave Nicaraguan people in their struggle to strengthen their national independence.

Concerning the situation in the Middle East, both parties expressed their strong opposition to the Israeli aggression against Lebanon and the massacre of the Palestinian and Lebanese people, including the aged and women and children.

Both delegations called for compliance with the UN resolutions, especially those of the Security Council, on the withdrawal of the Zionist troops from Lebanon, respect for the rights of the Palestinian people, directed by the PLO, their legitimate representative, and for self-determination and a

national homeland. They also hailed the efforts made by the Nonaligned Nations Movement in solidarity with the Palestinian people.

The Mauritians expressed their support for the Cuban Government's claim to sovereignty over the Guantanamo base territory in accordance with the pertinent Nonaligned Movement resolutions. The Mauritian delegation deplored the severe economic repression of which Cuba has been subjected for more than 2 decades.

Both delegations reviewed the international situation and expressed special concern that all countries should respect the basic principles of the UN Charter and the Universal Declaration of Human Rights with regard to the peaceful settlement of disputes, nonintervention in internal affairs of other states and the equality of all peoples and races. They condemned the continuance of racial discrimination, colonial domination and other forms of repression prevailing in many parts of the world. They resolved that every effort should be directed at ensuring freedom and justice in these areas.

In analyzing world conditions, both delegations expressed their deep interest in relieving international tensions and in making more realistic and reasonable policies prevail in the world, so that all nations might develop peacefully and humanity might be free of the threat of a holocaust. At the same time they stressed the importance of establishing a more just and equitable international economic order for the underdeveloped nations, victims of the economic disparities between the North and the South.

Both parties stressed the need to convert the Indian Ocean into a peace zone. They vigorously rejected the presence of all the military bases in the area and asked respect for the just demands of the countries of the region.

Cuba and Mauritius emphasized their recognition of the legitimate aspirations of peoples to attain complete political, economic and social emancipation, problems which are typical of our time and which find expression in the struggle against the forces of imperialism, colonialism, neocolonialism, racism, apartheid and Zionism which attempt to perpetuate oppressive relationships and privileges maintained by means of force.

The two parties vigorously denounced the attacks by the South African racist regime against the sister Republic of Seychelles and the destabilization policy which the Botha regime is implementing in the African Front Line states.

The delegations recognized the right of the people of Western Sahara to self-determination and independence.

With regard to the latter question, they confirmed their support of the UN, the AU and the Nonaligned Nations Movement resolutions which are the guide and guarantees of the legitimate rights of the people of Western Sahara.

The delegations expressed their concern over the continuation of the conflict between Iran and Iraq and concerning its negative effects not only on these

two countries but also on peace in the area and on all humanity, as well as on the unity of the Nonaligned Nations Movement, to which they both belong.

Cuba and Mauritius hailed the vigorous movement which is calling for peace and cooperation among the peoples of the world and for the end of the arms race.

Both delegations expressed their solidarity with the struggle by the Korean people for achieving reunification of its territory, free from intervention.

Both parties expressed their inclination to continue helping the Nonaligned Nations Movement to increase its international prestige, in defense of the interests of its member nations and in support of their just causes, which will benefit all humanity, and their desire to work to assure the success of the Seventh Summit Conference to be held in New Delhi.

The Mauritian delegation used the opportunity to praise the role which Fidel Castro Ruz has played as Nonaligned Nations Movement president and his contributions to the implementation of the resolutions of the Sixth Summit Conference, to the strengthening of the movement's unity of action and to the increase of its prestige in the international arena.

The Cuban and Mauritian delegations expressed their gratification over the results of the visit and over the fraternal atmosphere which prevailed during the talks and which will have a positive influence on the subsequent expansion of the friendship and cooperation between the two peoples and governments.

The Cuban delegation members sincerely thanked the people and government of Mauritius for the brotherly welcome they were given during their stay.

His Excellency, Juan Almeida Bosque, delivered to the prime minister of Mauritius a personal invitation from President Fidel Castro Ruz, to make an official and friendly visit to Cuba. The invitation was accepted with pleasure. The date of the visit will be set later.

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CSO: 3248/514

## BRIEFS

SUGAR ESTATE CRIME--GUYSUCO Chairman Harold Davis has issued a strong warning to employees that stealing will not be tolerated in the Sugar estates and those who are involved in this misdemeanour must be prepared for the appropriate disciplinary action. He disclosed that an analysis of loss due to thefts, destruction to cultivation and damage to vehicles and property, shows that the 1982 figure was 26 percent less than that for 1981. But he declared that the loss due to theft was 42 percent more than in 1981. Touching on some of the other problem areas in the estates, Cde Davis observed that in 1982 suspected arson was 96 percent less than in the previous year while cattle damage was 28 percent more than 1981. Also in 1982, the damage to vehicle and property was 4,3 percent less than in 1981. (GNA) [Text] [Georgetown GUYANA CHRONICLE in English 25 Jan 83 p 1]

GNEC EXPANSION PROGRAM--The Guyana National Engineering Corporation (GNEC) is to increase its manufacturing capability through its foundry expansion programme. Manager of GNEC's Planning and Development Division, Clinton Williams, said yesterday that the programme could contribute substantially to Guyana's industrial development by increasing the range and quality of ferrous-based castings of spare parts for several types of equipment. Additionally, it would provide a new material base for increasing GNEC's manufacturing capability, and foreign exchange earnings since a wide range of its products would be exported. Cde Williams said the foundry expansion is geared to increase the corporation's casting rate from the current 100 tonnes to 1 100 tonnes per year. The foundry would be using a new process involving scrap iron and scrap steel only, instead of the present method which includes imported pig iron and coke. The new foundry which is semi-automatic will be able to cast a wide range of components including sugar mill rollers, coupling bases, pumps, parts for cement mixers, manhole frames and covers, and fire hydrants. (GNA) [Text] [Georgetown GUYANA CHRONICLE in English 27 Jan 83 p 5]

CAIC ASSISTANCE--Georgetown, Guyana, Friday, (GNA)--The Barbados-based Caribbean Association of Industry and Commerce (CAIC) is to provide technical assistance to the private sector in Guyana during this year. The move flows from a recent meeting between members of the Georgetown Chamber of Commerce, the Guyana Manufacturers Association, and executive director of the CAIC,

Mr Pat Thompson. "CAIC has promised to give such assistance with a view to improving the managerial and executive functions of the private sector," Mr Thompson said. He said a team of professional personnel from within the Caribbean will visit Guyana to "assess and identify areas for improvement." Mr Thompson announced CAIC would sponsor two courses for private sector employees, for entry level and frontline supervisors. The courses were designed to improve the general attitude and approach of employees to the job, Mr Thompson said. [Text] [Bridgetown ADVOCATE-NEWS in English 29 Jan 83 p 3]

PAYMENTS TO LAYED-OFF WORKERS--Thousands of workers, retrenched from the public sector, will soon begin receiving their superannuation payments. Finance Minister Sallahuddin informed the Guyana Trades Union Congress of this in a letter and said the payments should be completed not later than February 22. The letter, sent to TUC General Secretary Joseph Pollydore, comes after repeated representation by the unions recognised by the Public Service Ministry and the public corporations. The unions expressed concern that since the retrenchment exercise began, persons were being sent off without being given their benefits. Government sources said that about 6000 workers are involved but the TUC is claiming the number is much higher. Late last year, Vice-President Steve Naraine told the National Assembly that public sector agencies had been asked to submit figures concerning the benefits due to the retrenched employees and Cabinet later decided that the payment would be made during February. [Text] [Georgetown SUNDAY CHRONICLE in English 30 Jan 83 p 1]

APPEAL TO POLICE--Georgetown Guyana Sunday (GANA)--Guyana's Minister of Home Affairs, Jeffrey Thomas has called on members of the Guyana Police Force to develop new techniques and capabilities that will stand up to the challenge of sophisticated crime facing them today, the Guyana Copper newspaper has reported. The Copper is a monthly newspaper printed by the Police Force here. "Society is producing a more intelligent criminal and therefore there must be a more competent and qualified policeman," the Minister said. The Minister "urged the force to strive to improve standards and get rid of malpractices and corrupt acts by unscrupulous members, while building on the excellence witnessed over the years," the paper said. Mr Thomas also spoke of the recruitment of members of the force and said there was need to ensure that graduates of the Guyana National Service were given priority. He said a serious attempt should be made to attract applicants of both sexes including those with different cultural and even racial backgrounds, Copper said. [Text] [Bridgetown ADVOCATE-NEWS in English 31 Jan 83 p 2]

CHINESE AMBASSADOR'S DEPARTURE--An air of conviviality tinged with sadness recently pervaded the Duke Street residence of outgoing Chinese Ambassador Chen Xun, Cde Wang Yangchang when the Executive of the Guyana-China Friendship Society made a presentation to His Excellency at a brief ceremony. His Excellency was thanked profusely for his contribution to the Society which was formed during his tenure and to the furthering of good relationships between the two peoples. In reply Cde Wang Yangchang said that he was deeply moved by the sentiments expressed and that he had enjoyed his

stay in Guyana immensely. He hoped to return to Guyana sometime in the future, he declared. In picture, it is all smiles and cheers as Cde Jack Morgan, Secretary of the Society makes the presentation to his Excellency. Others in picture (from left to right) are Cde Allan Chin President, Guyana Friendship Society, Cde Walter Bipat, vice-president, Cde Edwin James, president of the Guyana Committee for Solidarity and Peace, Mable Persaud, assistant secretary of the Friendship Society, Li Jungling Second Secretary of the Chinese Embassy, and Cde Wilfred Lee, Executive Chairman GPC and honorary president of the society. [Text] [Georgetown GUYANA CHRONICLE in English 29 Jan 83 p 3]

NO BLACKMARKETING FOR BANKS--The country's top banking officials see little possibility of the Guyana Government permitting commercial banks to buy foreign currency from "the streets." The bankers expressed these sentiments in reaction to a weekend call by President of the Georgetown Chamber of Commerce and Industry, Ernest Christiani. The business leader had suggested that Guyana follow Jamaica which was able to lure \$4M (US) in its first week of blackmarket trading. The programme was launched on January 10. The bankers pointed to government's policy of discouraging the development of the so-called "parallel economy" in total, noting that it would be contradictory at this time if government were to permit such an undertaking. Contacted yesterday Finance Minister Sallahuddin took a "no comment" position on the issue. One banker, who asked not to be named, said that the finance situation in Jamaica was different from Guyana's. He pointed to the thriving tourist industry as well as the marijuana business which permitted sizeable sums of hard currency to be around. Guyana currency possession laws would also have to be changed, he said. Guyana's economy has been suffering from a serious shortage of foreign exchange owing to reduced prices for its exports and increased costs of essential imports. [Text] [Georgetown GUYANA CHRONICLE in English 1 Feb 83 p 1]

BAUXITE SECURITY MEASURES--Guymine's security department has instituted a five-point plan that it hopes would tighten security within the bauxite industry. This is part of the company's effort to reduce large-scale thefts and other types of crime which have been plaguing the industry for some time now. Chief Security Officer Albert Sonny Creavalle said the security arm will be monitoring company property by frequent systematic auditing and inspection of inventory. The security chief said that during 1982 the constabulary had accomplished some success working as a team in the prevention and detection of crimes within the industry. "But we are faced with constraints such as finance and our inability to implement modern technology and other new crime prevention measures," the security chief said. Nevertheless, he pointed out, with the assistance of the nine-man Loss Prevention Team, some \$400 000 worth of company property was recovered during 1982. This led to a number of dismissals and demotions within the company. (ENA) [Text] [Georgetown GUYANA CHRONICLE in English 2 Feb 83 p 1]



TRACTOR PARTS--Two shipments of Massey Ferguson spare parts for tractors and harvesters arrived in the country recently. The shipments have come to the Guyana National Trading Corporation (GNTC) under an Agricultural Sector scheme which is partially financed by the Inter-American Development Bank (IADB). During the next three months several more shipments of spares, as well as agricultural chemicals, are expected. The project is supervised by the State Planning Commission and it includes the execution of an agricultural investment programme, the formulation of policy adjustment measures, and the procurement of agricultural inputs. Distribution of the equipment is expected to begin shortly by the GNTC, Guyana Stores Limited, J.P. Santos and Company and Geddes Grant (Guyana Limited) which all have allocations of resources under the programme. [Text] [Georgetown GUYANA CHRONICLE in English 5 Feb 83 p 8]

EEC, ACP TALKS DISCUSSED--Georgetown, Guyana, 23 Feb (CANA)--A European parliamentary mission to Guyana has called for a new approach to negotiations between the European Economic Community (EEC) and the African, Caribbean and Pacific states (ACP) on a third aid and trade agreement. West German Minister of Foreign Affairs said: "I would like to say that we need a new approach. We have a new situation here as compared with the situation some years ago when Lome two was adopted." He added: "We have a new world economic situation, and this, in turn, calls for new ways of cooperation." The mission was in Guyana for two days, talks with government ministers and officials of state corporations and the effects of the Lome treaty which governs trade and aid relations between the EEC and the ACP. British Labour Party representative, Derek Enright, said: "We are disappointed about development and Third World countries and would like to see that the commission here is behaving itself out here, and doing things that we think they should be doing." He added: "The problems you have here are not of your making, to some extent. The problems that you have with rum and its export and the difficulties there, are also of your making." [Text] [FL232210 Bridgetown CANA in English 23 Feb 83]



## SOCIALIST PARTY ATTACKS GOVERNMENT, U.S. ROLES IN C. AMERICA

Managua EL NUEVO DIARIO in Spanish 3 Feb 83 p 9

Statement issued by Socialist Party of Honduras, entitled: "The Voice of the True Honduran Patriots."

Text: Tensions instigated by North American imperialism are increasing between Honduras and Nicaragua and the threat of war hangs like a sword of Damocles over the heads of the Central American people. This war can only be avoided by forces of solidarity with Nicaragua from all over the world, including the United States. Because since 1979 the dominant characteristic of the Honduran Armed Forces has been a vengeful spirit against El Salvador which has caused them to embark on a heavy course of armaments, the Sandinist victory and the escalating revolutions in El Salvador and Guatemala have made the Central American revolution the fundamental enemy.

Consequently, secret talks were held in 1980 between top leaders of the armed forces of Honduras and El Salvador which resulted almost immediately in the collaboration of the Honduran Army in the terrible massacre of 500 men, women, children and old people which took place on the shores of the Sumpul River in an "anvil and hammer" type operation.

A "peace treaty" was signed as a preparation for the next phase of escalation. This was more like a treaty of war which allowed the Salvadoran troops and the repressive and paramilitary forces who capture, torture and murder refugees in the lakes and Honduras involved in humanitarian assistance, to pass through the disputed Honduran territory freely with the collaboration of Honduran repressive forces and the army.

The present state of escalation is characterized by the participation of Honduran military forces in large scale joint operations in Salvadoran territory aimed at integrating the armed forces of Guatemala, El Salvador and Honduras in an alliance.

In 1980 a powerful fascist sector supported and directed by North America had been formed within the armed forces and was behind the consolidation of a "state of national emergency" under the guise of a regularly elected civil government.

The 29 November 1981 elections were a big victory for the Liberal Party. At that time the Honduran people voted against corruption, repression, incompetency and the legacy of 17 years of military government, and for a civil democratic government which would deliver the country from the crisis, and promote the welfare of the majority and peace and neutrality in the face of the Central American conflict. The year of liberal government has meant one more discouragement to the aspirations of the people. The military continue to wield power; repression has increased and taken on new forms such as the "disappearances," arrests, murders and clandestine cemeteries. In addition, submission to imperialism is increasingly blatant and intervention has increased in El Salvador where they have attempted to provoke a war with Nicaragua.

In order to terrorize popular organizations to the point of inertia, demonstrations and strikes are dissolved brutally and attempts are made to destroy the leadership of the popular movement by the arrest, torture and murder of its most militant leaders.

Military operations in Honduras for direct intervention in El Salvador and Nicaragua have increased, and keep alive the danger of war in Central America. These operations consist of the enlargement and improvement of the airport for military use by the United States in San Pedro Sula, La Ceiba, Comayagua and Puerto Lempira. All of these have a high strategic value for military operations in Central America and the Caribbean. Other preparations include the utilization by the United States of the Swan Islands in the Atlantic and Tiger Island in the Gulf of Fonseca as centers of surveillance and as a threat to Nicaragua. They also consist of joint military exercises by land, sea and air, aimed at coordination, displacement and infiltration in the proximity of the Nicaraguan border, and of North American battleships stationed in the Gulf of Fonseca, sovereign waters of Honduras, and Nicaragua, where they have the acquiescence or complicity of the first two countries. The most recent presence is that of a US aircraft carrier.

Another aspect of the escalation of the war in Central America by the North American imperialists is the military presence of Israel in Honduras. Agreements have been signed for Israeli armament purchases and training for the counter-revolutionary Honduran Air Force.

Through this armed and manipulated way our country, Honduras, is being converted into a military base for the United States, Somozist guard troops, and the counter-revolutionary forces of the Salvadoran dictatorship.

The Honduran Liberal Party is asking for solidarity from all democratic and non-aligned nations to back the Honduran people in their struggle against the sovereignty of our country and peace in Central America.

The Honduran Liberal Party condemns the Central America of the military presence of the United States and the imperialist state of Israel.

2. Elimination of Somoquist military encampments in Honduras.
3. Nonintervention in El Salvador by the armed forces of Honduras, and the expulsion from our soil of repressive and paramilitary Salvadoran forces.
4. Humanitarian treatment and full respect for the rights of Salvadoran refugees in Honduras.
5. Elimination of a terrorist state and its replacement by a true democracy in Honduras.

8146

CSO: 3248/535

## PSUM PLENUM DECIDES TO FORM NEW PARTY

## Gomez Denies Internal Struggle

Mexico City EXCELSIOR in Spanish 5 Feb 83 Sec A pp 4, 19

[Text] Today, PSUM's [Unified Socialist Party of Mexico] Congressional Group will be judged by its Central Committee. Its vote in favor of the "Gag Law" in the Chamber of Deputies is one of the reasons, because it has resulted in heated discussions and internal controversies.

Edilio Gomez, the PSUM secretary general, remarked yesterday: "There is no division in PSUM; there is discussion, and there will be more of it than there has been up until now."

And Arnoldo Martinez Verdugo, a former leader, declared: "PSUM is not an abortive initiative; it is progressing and developing; it has caught on, and no one will be able to destroy it."

The fifth Plenum of the Central Committee, which opened yesterday, attracted attention basically because of the judgment of the Congressional Group's action, against which opposition was voiced by various groups of members, who accuse the deputies of dissociating themselves from the internal consultation procedures which exist in the Unified Socialist Party of Mexico, and of having been confused in the proposals and action carried out by them during the last period of chamber sessions.

One of the matters most criticized was that relating to the debate on the vote for reforms to the Civil Code, approved by this party's legislators; which some consider as "unfortunate," owing to the importance of the reforms to the new government's policy, as well as the ideological repercussions on the public and on the PSUM membership.

And while "drafts" of documents opposing the congressional work are circulating (some of which will be put to discussion between today and tomorrow), there are deputies such as Manuel Melendrez who, in his self-criticism, expressed the view that the legislators could have voted for abstention regarding the "Gag Law," because the vote in favor was a mistake, and the only way of making up for this to PSUM would be "to admit that we were wrong, and to state this publicly."

The judgment to be made of the Congressional Group headed by Rolando Gortara will be included in one of the three points to be dealt with by the Sixth Plenum: "The Analysis of PSUM's Congressional Activity," scheduled for today.

### 1.1.1. Construction of PSIM

Later in the year, there was a discussion of "Problems of Organic Construction," and in the fall, 1981, there will be an analysis of the records for 1982, and of the year for 1983.

When the plenum opened yesterday morning at a hotel in the Rosa district, Pablo Neruda, the Secretary General, declared: "During recent months, there have been rumors that there is an internal struggle within PSUM and that division has occurred. These rumors originate mainly among enemies of the party, although it must be admitted that they are harming our organization. There is no division in PSUM; there is discussion, and there will be more of it than there has been in the past."

Another problem actually consists of organizing the discussion to avoid the kind of serious controversies or poorly handled arguments which have often perturbed the group. If we need greater discussion, we shall have to hold it with greater care and control. Discussion is aimed at reaching the best possible decisions. In the process of reaching this goal, the exchange of views is actually devoid of emotion.

and we must, therefore, to rumors that division is threatening PSUM, we would do well to recall that, at times of a change in the political situation, on 1 September 1944, for example, the Central Committee assumed very strong positions, as a result of the situation; and that now no one denies that this is its line. So, there is a need to present those important decisions of the national leadership, including the ones adopted in this sphere, so as to show an image of political consistency and

...the rumors that INM would be broken up, Martinez Verdugo  
...aimed at demoralizing, to show that the party is an  
...expressed that this is not so.

at the present time, a good atmosphere is being  
the left in the country, and that there is no division

admitted. Gomez mentioned the short experience of  
the group and tried to emphasize the organized nature

... how it tendencies toward underestimation in the  
... and the ultimate, regular, undefined and disci-  
... the intermediate committees; on  
... the party was forgotten, and an  
... with the spontaneous movement and,

he added: "It is impossible to conceive of PSUM's construction apart from the spontaneous struggles and the progress of the urban and rural workers' social organizations; but the activity of the party's members in those spontaneous movements and social organizations would contribute very little to the revolutionary struggle if the construction of PSUM and the regular, truly organized operation of all the members were overlooked."

In the basic document for discussion, "Draft Resolution of the Central Committee on the Problem of PSUM's Organic Construction," the press committee of the Central Committee's Information Area indicates that stress is being placed on the existence in Mexico of the conditions for constructing a Socialist revolutionary organization that will have a broad base of masses and that will not aspire merely to engage in leadership activity within the mass organizations, but rather will also contain, in an organized manner, large groups of the working people.

It is also emphasized that this does not stem exclusively from the legalization which PSUM has attained, but also from the new opportunities for political activity outside of the bourgeois parties and the state apparatus; from the independent labor and agrarian struggles which have proven that the activity within the social organizations is insufficient to achieve changes of a general nature; and from the experience gained over long decades of difficult revolutionary political struggle.

#### PSUM Congressional Vote Defended

Radio City: EXHIBITION in Spanish 6 Feb 83 Sec A pp 4, 28

The government is not using the Civil Code against the revolutionaries, but rather the Congress, claimed the PSUM Political Commission, in defending the vote against the "Law Law" cast by the congressional group last December; while the government's self-criticism and heated controversies gave rise to a lengthy debate at the Central Committee, meeting at its Sixth Plenum.

The speaker, coordinator of the legislators, spoke about a "congressional reform" that would be capable of lending the Chamber greater resources for discussion and decision, and would establish fixed, reasonable deadlines, so as to prevent early legislative initiatives, such as those experienced in late December." And he also criticized the absence and irregularity of various PSUM deputies at the legislative sessions which, he claimed, do not constitute mere irresponsibility, but rather a lack of discipline, even contradictory ways in which congressional representatives act within the Chamber.

The speaker also mentioned the Central Committee's discussion, held behind closed doors, of the government's proposal.

The speaker also mentioned, among other things: "Our party has considered congressional initiatives as one of the ways of struggling for the democratization of the state, and this by participating in federal and local elections, by exposing questionable actions, or to expressing our criticisms to the Chamber of Deputies."

And it also comments: "Our party has wanted to be in the Chamber in order to discuss there the state's decisions, and also to put forth the workers' option."

Moreover, it stressed: "The experience of these past 4 months of congressional activity has proven that, even with great limitations, it is possible to effect a change in the government's proposals, and to pave the way for propositions that will represent the workers' interests. Nevertheless, this goal has run counter to the present government's plan to bolster the state apparatus and reestablish its relations with big capital. The change in government was far more than a mere turnover of a mailbox."

#### The Policy Shift

It adds: "A shift in the government's policy was involved, based essentially on two major lines: one of them consisted of a reestablishment of the bonds between the government and the most powerful sectors of the bourgeoisie (which had been upset by the nationalization of the banks), through a tax policy that benefits them with exemptions which other social sectors do not receive, and also through the so-called Planning Law and the constitutional amendments granting new guarantees for private property."

"In other words, it did not involve merely minor or circumstantial changes, nor just tax exemptions, but also changes in the legal categorization of private property and partial denationalization of the banks, at least 4 months after the decisions of September."

Regarding the other major aspect, the document makes specific mention of the government's proposal "to 'modernize' the state by disciplining the workers in this sector", which, it claims, lies "in the reforms that confirm and expand the excessive concentration of power in the federal executive branch (which it is attempting to legitimize with rulings such as the Planning Law), and in the restructuring of public administration."

#### Congressional Reform

It was made of the need for congressional activity not to be confined exclusively to a revision of ideas already completed, but rather to be capable of making a real effort for study, reporting and consultation with the social sectors involved; a reform that would allow the deputies to be legislators, and not only ratifiers, backers or challengers of presidential rulings.

It was said that this reform would restore the dignity and autonomy of the legislative branch, and that the PRM deputies should work on the proposals aimed at achieving the congressional reform.

On July 1, 1961, Pineda was of the opinion that the development of PSUM is one of the major elements of the present revolutionary struggle, passing a resolution in favor of its organic establishment.

## Backing for Deputies

Mexico City EXCELSIOR in Spanish 7 Feb 83 Sec A pp 1, 19

(Excerpt) The Chamber of Deputies continues to be stifled by presidentialism, which is not only curtailing the opposition's activity, but also hampering the existence of the political parties included in PRI [Institutional Revolutionary Party], the Central Committee of the Unified Socialist Party of Mexico claimed yesterday, at a plenary session. But it also noted that openings and conditions have been created for making the legislative branch one of the leading paths to the country's democratization.

In the last of 3 days of meetings, 75 members of that group of PSUM leaders and other invited members discussed a Chamber of Deputies evaluation document, covering the performance of its congressional group. And it was also claimed that the political nonconformity was due not only to material shortcomings, but also to restrictions on the people's participation.

Andrés Herrera, who until last night was still PSUM's congressional coordinator, also reported at the session on commitments made by the PRI majority and the executive branch to "take out of the freezer" the bill to repeal confiscation in the event of strikes in the communications and transportation systems, and to give sufficient powers to the legislative chambers to influence the planning, establishing and overseeing of the federal budget.

The leaders of the most important Mexican leftist party also concluded that the general policy of the new federal government "is contradictory," but with a two-fold aim of "reestablishing bonds with the most powerful sectors of the bourgeoisie" and "modernizing the state, adding to it an excessive concentration of power."

During the debates held behind closed doors for the third consecutive day, José Videmera, a press agent, explained that much of the criticism of the performance of the PSUM legislators condemned the lack of coordination between them, with the leaders in general, and with the party as a whole.

Yesterday, the political commission decided to back its group completely on the bill to reform the latter (split) on the reforms to the Civil Code, explaining that "it will give complete support to professional journalism, which differs from the 'yellow press' which panders and lies against the left, and silences the voices of the people."

On the other hand,

at the end of the plenary session, in which 42 speakers participated, it was concluded that the results of the congressional activities in the Chamber of Deputies "are not satisfactory for the national and popular interests," and that this body must continue to remain true to addressing the needs relating to the country's democratization, and to increasing its influence within the state.

It was also noted that the Chamber of Deputies, as a legislative body, (which is not a constitutional institution) is hampering the existence of the parties.



owing to the weight of presidentialism. PRI, in the name of discipline, is refusing to play its role as a party, and for the opposition the usual one is that of "freezing."

The PSUM leadership discussed in detail what, in the opinion of the Political Commission, which submitted the report, has been "a shift in the government's policy to an antipopular direction; wherein, nevertheless, because of its contradictions, there have been legal reforms which confer greater autonomy on the municipalities and call for the parties' participation in the town halls, thereby opening up new areas for political participation."

With regard to its own participation in the Chamber, the PSUM Central Committee devoted much of the debate to the proposal for assigning one of the most important legislative tasks, involving the entire party therein. The opinions voiced in this respect were met with charges of "forgetting the mass movement, the construction of the party and the broad convergence on behalf of an intensely congressionalism."

#### Agreement on New Party

1981-1982, (X) 1981-1982, 11. Spanish 8 Feb 83 Sec A p 23

Mexico is undergoing ideological changes and, in view of this, the Sixth Plenum of the PSUM Central Committee decided to construct a mass Socialist labor party, because the different parties in the country lack a structure of their own; they do not seek the revolutionary transformation of the society; their action is limited to influencing the government and the state apparatus, and they are seeking new types of expression.

At this plenum, this was one of the resolutions at the plenum which ended the debate. The document of which cited the aforementioned lack of parties acting in the country, pointing out: "The official party is merged with the state apparatus, the various social organizations headed by officialist leaders [the National Action Party] is an essentially electoral party; in other words, it lacks a permanent organic structure. The Socialist parties which fundamentally follow the government's policy have types of organization based exclusively on electoral action, and depend largely on their relations with the various levels of government."

With regard to the party which it is being attempted to construct, Pablo Gonzalez Camarillo, general secretary, stated at a press conference yesterday that PSUM is "not yet a mass party," because it still has limitations on its participation in the system, where militants who attempt to take labor union action in the country are persecuted. He said that part of that persecution consisted of the arrest of two PSUM members in Guaymas, Sinaloa.

The document also pointed out that in Mexico "of conditions conducive to the construction of a Socialist revolutionary organization that will have a broad base and will not only aspire to engaging in leadership in the system, but will also contain in its ranks, in organization, a working people."

It explains that this does not stem exclusively from the legalization attained by PSUM, "but also from the new opportunities for political activity outside of the bourgeois parties and the state apparatus, from the independent labor union and agrarian struggles, which have proven that activity within the social organizations is insufficient to achieve changes of a general nature, and from the experience gained over long decades of difficult revolutionary political struggle."

#### Possible for the Unifying Movements

The document adds that a revolutionary party of masses is also possible for the unifying movements that are developing among the left, which have strong support in large sectors of workers, among whom there exists a more aggressive state of mind.

It is noted that there is no disregard for the presence in Mexico of an enormous political backwardness among the working people, and the fact that the parties are still playing a secondary role. "But that deterioration is not automatically reflected in a strengthening of the left. It would be mistaken to underestimate the inclination of broad sectors of the working class and the middle classes toward the right wing parties; which is explained by the dissatisfaction over the country's situation, the aspirations for a political change that will protect extensive sectors and the self-image cultivated by these parties as being anti-government and consistent advocates of liberty and democracy."

It adds: "This forces our party, and the left in general, to reinforce the ideological and political struggle, which will have a key feature in the unmasking of the reactionary bourgeois essence of such parties. However, the situation is changing rapidly. The capacity for agglutination that the official party and the state apparatus have had is declining. This is leading many workers to seek new forms of expression."

At the Sixth Plenum, approval was given to the two documents submitted by the Political Commission: the first through the secretary general, Pablo Gomez, and the second by the coordinator of the congressional group, Rolando Cordera.

# MOVEMENT AGAINST UNSOPHISTICATED OPPOSITION TO SYSTEM

Source: El Financiero, MASUNO in Spanish 4 Feb 83 p 5

Editorial of Rene Delgado: "Elementary Opposition to the System Could Lead PSUM to Political Exclusion: Cordera Campos"]

Yesterday, Rolando Cordera, coordinator of the PSUM's [Unified Socialist Party] group of deputies, warned that this party could be led to political exclusion if it does not overcome what appears to be "an elementary opposition to the system." He also claimed that the members of the party should seriously and thoroughly discuss the possibility of progressing (with the country's democratization) along the path of reforms or, if need be, deciding whether or not they accept "movements and individuals" who believe in that option.

In an interview, Cordera Campos expressed the following views, among others:

"We must evaluate the congressional work from a political and objective standpoint, because it is a matter involving it and because, at least "I am willing to resolve it with traditional self-criticism."

"In congressional effort the PSUM legislators attempted to raise the level of demands, seeking concrete results, and "going beyond opposing opposition," presenting themselves as an option for development.

"It is simplistic and naive to think that a Socialist opposition excludes specific work in the political area with other organizations, even with the organization of the authorities, and the authorities themselves."

"It is neither naive nor naive, but rather essential to propose quite clearly the battle for a program of reforms in Mexico, because that is the most just and most massive movement progressing with the country's democratization."

"I said that he knew of no formal proposals, or rather, any consideration of the coordination of the party's legislators should be replaced; instead, "The changes in the leadership of the party's entities are always according to the statutes."

"I expressed his desire that the party hold an extensive discussion in the next meeting of its central committee (a meeting that begins today) of the PSUM."

representatives' work; because this is something in which the entire organization is involved. He remarked that, without disregarding the mistakes that might have been made in the leadership of the PSIM's congressional group, the party should determine its congressional policy, taking two issues into account:

one, the subordinate status of the legislative branch to the executive branch and, secondly, to the president of the republic; discussing the goal of democratizing the country on the basis of this fact; and, two, discuss and determine its policy line in the work done in the Chamber of Deputies.

He said: "As a result, I think that an opposition congressional group cannot be formed on the basis of an assumption that is not real: the one that democracy is operating fully, and that we have a congress."

Cardera Campes also noted that an important job for the Socialist opposition is to analyze the contradictions that are being developed and generated in the Chamber of Deputies (which is not a mere reflection of the executive branch decisions), and to explore the channels for translating those contradictions into agreements and convergences, so as to progress toward the goal of the country's democratization.

For the way in which he would describe the manner in which the PSIM's legislative representatives behaved in the previous round of sessions, Cardera Campes said: "There was insufficient association and coordination between the congressional group and the rest of the party," including its leadership; and in the work done or proposed, but without a clearcut party policy on congressional activity, an attempt was made to raise the level of complaints, and to offer by way of comparison the party's program and policy as an option.

He said that it was attempted to go "beyond opposing opposition," by offering not only an alternative for development, questioning deeply the basic line of the government's economic policy, and proposing options, not only for its group, but also for those groups of deputies which reflect social movements that demand a different and social alternative.

Cardera: "It should not surprise anyone that, when agreements are found with the government or with proposals of the government, we shall make them available to the five votes. It seems simplistic and naive to me to think that we should not enter into specific agreements with other organizations, with the government, the authorities, and the authorities themselves."

When asked whether he would not incur a contradiction by not making the same agreements with the government, the coordinator replied that there are no contradictions in the system, but a contradiction in the system.

When asked whether he would not incur a contradiction by not making the same agreements with the government, the coordinator replied that there are no contradictions in the system, but a contradiction in the system.

MEXICO

# ARCHBISHOP QUINTERO ON CLERGY'S RIGHT TO SPEAK

World City TELESIOR in Spanish 28 Jan 83 Sec A p 31

Article by Correspondent Francisco Santacruz

Mexico Herald, Mexico, 27 January--The archbishop of this city, Carlos Quintero Flores, has declared that the new Code of Canon Law bans priests from political militancy and leadership, but does not prohibit them from issuing instructions which may result in social and political results in the sociopolitical realm, in the exercise of their ministry.

He added that the foregoing is stipulated in the new Code of Canon Law, which will have significant repercussions on the life of the Church.

He pointed out that the priest is obliged to issue guidelines based upon his faith, and that he must be concerned in the social and political areas.

Quintero also explained that priests may seek the means for combating inflation and providing jobs in the society, as well as for demanding respect for human rights; and that they must place themselves in favor of peace, liberty and justice.

He also declared: "The priest not only can, but should, and is obliged to point out that an attack on human dignity is an attack on the dignity of God; and he may do so in any way, which endorses human beings, without thereby incurring violation of the new Canon Law."

He also indicated that the indebtedness and excessive consumption of the country are a danger for the society.

He also cited the danger of the imposition of conditions assaulting the country's initiatives by foreign financial agencies.

He also said in an interview: "Let us suppose that the International Monetary Fund imposes conditions on a country as a condition for allocating loans to it. That is not bad. That does not mean that he is engaging in a bad business."

## UOI MARCH PROTESTS HIGH COST OF LIVING

Mexico City EXELSIOR in Spanish 6 Feb 83 Sec A pp 5, 17

Text: Yesterday, over 20,000 laborers and workers from 413 unions affiliated with Independent Labor Unity [UOI], accompanied by sympathizing contingents from the Metropolitan Autonomous University, the College of Mexico, which is on strike, and the Revolutionary Workers Party, marched "in protest against the accelerated rise in prices, the wave of layoffs and the government's austerity policy," from the Monument of the Revolution to the Plaza in Mexico City.

Juan Arias Vargas, coordinator of UOI, declared at an informal press conference held at the Plaza that the demonstrators had attended voluntarily and consciously, "without being ordered," as is customary "in the controlled unions"; and added that similar functions also took place yesterday morning in Guanajuato, Jalisco, Morelos, Chiapas, Oaxaca and Tlaxcala.

Alfonso Herrera, Secretary General of the Metropolitan Autonomous University's Independent Union, one of the five speakers at the final rally, called for unity among all "the workers' organizations, because "their situation has become intolerable."

The marchers and wage-earners took off shortly after 1100 hours from the Monument to the Revolution, heading for the downtown section of the city. The security forces cleared the nearby streets and in public buildings where the demonstrators may have gathered, but there were no incidents.

Signs were displayed, and there was chanting of statements critical of the government's economic measures, the policy of Fidel Castro, the Communist Party of Mexico [Comunidades de Mexicanos], the Federal Labor Law, "the government is fascist," and the political parties, because, according to the demonstrators, "the left are non-existent in Mexico, those of the right are clerical and those of the center are false communists."

The march was headed by two Mexican flags carried by a man and a woman; and by the open, leaders of unions affiliated with UOI, prominent among them were operators and shop workers from the Route 100 capital bus line, and others who are expected to go out on strike on 7 February, protesting the government's policy of their comrades.

When a third of its central platform was occupied, the speaker was Alfonso Herrera, Secretary General of the Metropolitan Autonomous University's Independent Union, Luis Ortega Gregorio from the Transportation Workers' Union of the capital's nationalized bus firm.

In an interview with reporters, the FOI's legal adviser and coordinator accused the central government of being inconsistent, because whereas it fosters unemployment in the departments and in other enterprises, it creates too many slots for ministers and politicians.

He accused Fidel Velazquez of being "a tool of the government to keep the workers under control." He said: "A high-ranking official, whose name I shall not disclose, threatened me, so that we would not hold this demonstration."

Leaders of the workers from the Metropolitan Autonomous University also mentioned the business owners, and not only the government authorities, stressing that, "Only class solidarity will be able to change a policy which, again, would only harm the private enterprise."

Workers from the Route 100 urban bus firm, claimed that improvisations are already being made as noted among those who are managing the transportation; stating that because parts are lacking, many units are at a standstill and the service is defective and later they will try to blame the workers.

## NEW LEADER: NO REASON FOR GENERAL STRIKE

Mexico City PROCESO in Spanish 14 Feb 83 pp 10-19

[Article by Salvador Corro: "The Workers' Course of Action Is To Forbear, Says Gomez Sada"]

[Text] The workers should be resigned, and forbear, while the economic situation is being put in order. There is no other recourse, claims Napoleon Gomez Sada, chairman of the Labor Congress [CT]. They must continue to be the victims of the crisis, simply "because we are the ones who are worst off."

The labor leader ("what else can we do?") precludes the use of the workers' legitimate weapons (such as strikes) to cope with the effects of the crisis. He says that the course of action is negotiation.

For that reason, for negotiating and for subordinating the workers' demands, Gomez Sada is, for the second time, heading the Labor Congress: He is, primarily, a skillful negotiator.

He describes his strategy: "We are striving to solve the problems as quickly as possible. We are seeking prompt solutions, also making use of the advice, unity, strength and friendship that we have with the government, so that it will help us to emerge from this situation; because we shall not do it alone, it would cost us too much."

Also, there will be nothing that would jeopardize the stability of the union or even harm the country. "We are not seeking a general strike because, up until now, we have had no reason for it."

As leader of the mining and metal workers union for over 20 years, Gomez Sada is attempting to change the Labor Congress' image, and lend it a new facade. With the same structure, the same statutes and the same leaders, and the responsibility of integrating independent unions into its ranks, devices are now being prepared for negotiations that will be "more skillful, aggressive and flexible with the government. In other words, I change so that everything will remain the same."

Gomez Sada thinks that just 100 years, nor a worker who could withstand the economic crisis. He says: "While the government is looking for ways to solve the problem, at the same time, strive to come out of the crisis. The government, which has been the one most hurt in recent years, remains the



tactic of understanding, and has proven to be on a par with its obligations in good times and bad. Fortunately, there has been understanding on our people's part, to withstand the blow that we are suffering. These are things that cannot last an entire lifetime."

Napoleon Gomez Sada was a boy when he began working in his native Monterrey. He used to sell newspapers for EL PORVENIR. "But I didn't like it, and so I changed jobs."

On 20 April 1935, he actually joined Section 64 of the Penoles Mining and Metal Workers Union as an active member. Until the present, he has held his position in it as assistant storage chief, although he has not worked since he became head of the union. He says: "Since childhood, I have had my whole career there, because I have no occupation, only the just soul of the country's labor movement."

A little over 20 years had to elapse, with the status of a worker, before Gomez Sada attained the position of secretary general of the mining workers union. He reached it with the friendship of a large group of rank and file comrades who have since that time accompanied him in the union's administrative posts.

Researcher Carlos San Juan Victoria, of the National Institute of Anthropology and History, describes Gomez Sada's role as head of the mining workers union thusly: "He acts as a balancer of regional or sectional groups and leaders, ensuring thus far a certain amount of circulation among the national leadership positions. His associates, the majority of whom have spent over 20 years in the 'trade,' comprise a group of 'specialists' in the real negotiation of disputes."

On 28 January of last year, Gomez Sada assumed the chairmanship of the Labor Congress for the second time. At the outset, he declared that this federation would be open to the independent unions. At first, it appeared to be a shift in the labor federation's policy. Now, less than 15 days distant, he varies his proposal:

"The doors of the Labor Congress are open for listening to and exchanging views with different sectors and unions; but that does not mean that all the unions, including the independent ones, could participate in the Congress."

[Question] Does the Labor Congress require the participation of the independent unions, or are the latter the ones that need the Labor Congress?

[Answer] As it stands, the Congress is complete, but applications will be received. And if the organizations making them like our statutes and our way of working, they will be accepted; and, if not, we ourselves shall tell them: "Continue on your way, because we do not want to end the stability that we have retained for many years."

[Question] At this point, would an independent union represent any threat to the Labor Congress?

[Answer] It would not represent any, because the Congress is a majority. But they would have one, because not all their members would want to participate. For example, we have already been told about the universities, but their organizations do not have complete agreements. We ask them for the requirements, and they have to agree that some are still lacking among them. Then they tell us, "We had better talk later."

The interview takes place in the leader's office; a modest office if one compares it to those occupied by other leaders of national industrial unions. The walls are wood-panelled; there is wall-to-wall carpeting, and an executive desk, with a huge bookcase behind it, containing over 100 luxuriously bound volumes of "The Judicial Service of the Federation." Opposite it there are two central tables: on one, a television set, and on the other, two figures: a bronze bust of Ricardo Flores Magon, and a northern version of Benito Juarez, too tall and slender.

Laughing easily, Gomez Sada evades the questions. He laughs long enough to think of an answer.

[Question] Why are the workers the ones who have been burdened with the crises and the ones who have been victimized?

Amid laughter, he replies: "Stop it, stop the tape recorder...." Then he says: "Because we are the ones who are worst off. Nothing more than that. What is left for us?"

The same question is put to him again. Now, without worrying over the tape recorder being turned on, he remarks: "We bear the burden of the crisis simply because we workers are the ones who are most numerous; we are many. If we were almost equal in number to the manufacturers, the distribution of the burden would not be noted; but since we are the most numerous, it is noted more."

Nevertheless, he admits that, "Unfortunately, right now, owing to the difficult situation that we are experiencing, the workers especially, the relationship between us, the government and the business owners has become more tense and more aggressive, because the circumstances so warrant."

He declares: "That aggressiveness among the people has been pushing us, and making us more skillful and flexible. And, in turn, a more modern and more intelligent trade unionism is taking shape."

During the 15 days that Gomez Sada has spent heading the Labor Congress, its leaders have met at least four times. At the most recent meeting, on 8 February, it was decided to form a committee in charge of preparing an evaluation of the workers' proposals that have been considered by the government. In addition, it will determine the percentage that the labor organizations should demand as a general emergency increase.

The leader reports that the committee has already been formed, and that it was asked to add "that, within a very short period of time, they should tell us what can be decided regarding the position of the commerce authorities. If the authorities do not impose a limit, then we shall await the studies in order to act."

Among all the official labor leaders eligible to hold the chairmanship of the Labor Congress, Gomez Sada unquestionably had all the features that the circumstances required for leading the federation during the most critical period in the country's economic history: an unswerving support for the state policy, and charisma in inter-union negotiations and in those of the unions in their relations with the government.

This is proven when he is asked whether the labor movement has not been overly patient, by not resorting to its legitimate forms of fighting, such as strikes.

In answering, he in turn asks: "What would we gain by a strike?" He adds: "We have never shunned those problems, but what would happen under these circumstances? At best, about a hundred small industries would be unable to cope with the situation, and would be forced to close down. Then we would have a greater problem with the labor movement.

"We are not intimidated from doing anything; we are prepared for everything. We know how far it is possible to go. There are companies which are operating 4 or 5 days a week. It is a sacrifice that the workers are making so as not to go out on the street. They have to sacrifice with a day's wage; but, actually, the idea is not a bad one, because total unemployment is worse. So, we have to realize, as humans, workers and citizens, we have to understand that times are not always good. Now, bad times are affecting us as well, and we have to find out to what extent we can withstand them."

[Question] Then what would be the course of action to pursue?

[Answer] Negotiations, of course; but this does not mean submission. The fact that we are polite does not mean that we are defeated. We have never shunned even general strikes, much less local strikes. Nor have we brought them on.

[Question] Of what are the angry workers capable?

[Answer] We have no reason to undertake a strike. Why should we want to bring it on? We are not going to fight with each other. We know that this is not the solution to the problem. Why should we hold it? We are workers and, as such, we must preserve that friendship which has typified all of us, so as to be together, and to seek the prosperity of our people.

[Question] Does the method for dealing with the union's problems meet the needs of the country?

[Answer] As we said a moment ago, the labor movement has been the most hurt. Nevertheless, it has still retained that tactic of understanding, and I hope that we continue in this way. But we do not know.

Gomez Sada is convinced that the relations between the government and the labor movement are cordial and fraternal, although tense at times. In this connection, he is told:

"The workers' position toward the government has been understanding, but the government's position toward the workers, and the economic measures, do not point in that direction.

He replies: "I believe that they do point in that direction. I believe that they are just beginning to hold that national consultation on development, so as to eventually find a course of action. Therein lies the government's cooperation,

in addition to the assistance that it has offered in the form of CONASUPO [Government Basic Commodities Company] stores and cooperatives. Many places already have these things, and we shall continue to request still more."

For carrying out his plans as head of the Labor Congress, Napoleon Gomez Sada's strong suit is the workers' unity.

He remarks: "When there are no difficulties, the people are more separated; but, at the present time, the people are united, because they are all pursuing the same goal."

Hence, he adds: "It would be wonderful if we had unity among the Independent Workers Unity group, the Labor Congress, the university workers and all the workers in general. Unfortunately, among so many humans the views differ from one to the other."

Gomez Sada is unquestionably more of a practical person than a theoretical one. His ability has enabled him to remain for over 20 years as head of the mining workers union, and his experience has made him the ideal person to hold the chairmanship of the Labor Congress during these difficult times.

[Question] Sir, if the workers are the majority in this country, shouldn't they be the ones to govern?

About to burst out laughing, Gomez Sada stammers: "What do you want me to tell you? Don't refine it. This is not the time to talk about those mothers."

2909

CSO: 3248/557

## NORTHERN INDUSTRIES OBSERVING REDUCED WORKWEEK

Mexico City EXCELSIOR in Spanish 28 Jan 83 Sec A pp 4, 21

[Excerpt] Monterrey, Nuevo Leon, 27 January--In this state which, for a long time, was regarded as the country's industrial emporium and, moreover, is the headquarters for the Alfa economic group, which until recently was numbered among the 200 most powerful companies in the world, all industrial activities, except for those related to food, are at the brink of collapse, because they are registering severe cuts in investment. The foreign debt of the majority of these firms is another factor that is making their situation even more difficult.

Agreeing with the foregoing, Eugenio Clariond Reyes, head of the National Chamber of the Processing Industry of Nuevo Leon, and the director of the Economic Research Center at this state's Autonomous University, Jesus Ramones Saldana, explained that it is essential for the federal government to renegotiate the private sector's foreign debt, so that it may be paid with preferential dollars; because, otherwise, the situation will become still more difficult.

When interviewed in his offices, the head of the Monterrey manufacturers announced that, during 1983, "there will be virtually no construction of new plants or expansion of others, because the debt that we have in dollars has made the problems besetting us very burdensome."

He noted thereafter that the Nuevo Leon manufacturers would use all the money possible to pay their immediate debts, because, he stressed, "We have no recourse other than to survive until 1984, a year in which we expect things to start improving."

He also stated that the owners of the industries are seeking by all means to prevent a reduction in employment this year and next, because that would bring serious social problems; and then he gave notice that, "Indeed, we shall not create more jobs during this same interval."

## Reduction in Work Days

He later reported that the factories in this area, "by mutual accord with the unions, had to reduce the work days; and the schedule was cut so as thereby to retain the employment." He said: "This measure is intended to avoid throwing out onto the street 25 percent of the labor in each one of the industries."

He added: "At the present time, they are working 5 days a week." He also noted that, "This measure was obviously adopted for reasons of a collective nature, because the more people are laid off, the more social and other kinds of problems there will be."

Maintaining that the Nuevo Leon unions have expressed agreement with the reduction in the work days and work schedule, Eugenio Clariond Reyes stated that, actually, "We are already carrying out the 40-hour week, but we are really paying for the 40 hours that are worked."

He then cautioned that if, at the present time, it were attempted to establish a 40-hour week, paying for 56, the unemployment would increase considerably.

And he declared: "If, at any time, Fidel Velazquez or CTM [Confederation of Mexican Workers] should succeed in imposing the 40-hour week, we would clearly see an example of how they are running counter to the workers' interests. It is true that, in this way, there would be workers who had another day off, but the number of unemployed would increase as well."

2909

CSO: 3248/557

## METROPOLITAN AREA COST OF LIVING RAW DATA

## Medical Care

Mexico City EL DIA in Spanish 23 Dec 82 'Metropoli' supplement p 8

/Excerpt/ The cost of medical care rose from September to this date in housing developments from 300 to 500 pesos since physicians are no longer able to remain at rates of minimum return.

So said Pedro Pineda Gonzalez, director of the Federation of Developments of Naucalpan.

In spite of the fact that our country is a leader in socialized medicine, the majority of physicians raised the consultation price to 500 pesos so that in the poor communities such as Naucalpan, Nezahualcoyotl, Villa Nicolas Romero, Tultitlan, Huizquilucan and other surrounding towns, "medical attention continues to be the privilege of an elite few."

## Water by the Barrel

Mexico City EL DIA in Spanish 30 Dec 82 'Metropoli' supplement p 9

/Excerpt/ Chalco, Mex, 28 Dec--Approximately 300,000 persons of limited resources live in the so called Valle de Chalco, known also as "Estacion Xico".

Men, women and children, according to what was verified on a check through the area were found lacking drinking water, drainage, schools, markets, lights, provisions, sidewalks, paved roads and health facilities.

Instead of basic services, especially in this season, dust abounds that is blown about by the strong winds that lash the region.

It could be called the "new Nezahualcoyotl".

In all these chaotic settlements located on both sides of the Mexico Chalco highway, there is abandon, misery and negligence etc.

One sees only dusty faces breathing dust all day that comes from ex Vaso de Texcoco, which includes Nezahualcoyotl, Chimalhuacan, San Vicente Chicoloapan, Los Reyes la Paz etc.



The heads of households of Valle de Chalco according to statements made by people picked at random began to buy lots of 150 to 250 square meters in amounts fluctuating from 150,000 to 250,000 pesos, with downpayments of 50,000 to 100,000 pesos respectively and monthly payments of 5,000 and 10,000 pesos. As the lands were of communal origin and others public, they have not been standardized.

For lack of water--not one tap exists in the area--the housewives and family heads buy it from the vendors that sell water on both sides of the highway for 30 pesos a barrel of 200 liters, and up to 50 pesos when they have to enter the depths of the valley.

#### Tomatoes, Other Vegetables

Mexico City EL DIA in Spanish 5 Jan 83 'Metropoli' supplement p 9

/Excerpt/ Housewives and consumers in general noticed that merchants and vendors in the public markets in the NZT /Naucalpan-Zaragoza-Tlalnepantla/ zone raised the price of tomatoes to 140 pesos a kilogram which was scarcely 100 pesos on the last day of the past year.

In the same category a small bunch of spinach that cost 30 pesos rose to 50. Small prickly pears are sold four for 40 pesos; local chiles 180; cauliflower, 120; large onions, 40; spring onions, 30; white potatoes 30, and sweet potatoes, 35.

#### Beef

Mexico City EL DIA in Spanish 12 Jan 83 'Metropoli' supplement p 9

/Text/ From the 260 pesos that a kilogram of beef cost a day before yesterday, the product began to appear to stabilize at 300 to the detriment of thousands of consumers of Valle de Mexico and amidst the protest of housewives who do not accept the increment.

The price of meat "shot up" Monday, in the municipal slaughterhouses of Naucalpan, Tlalnepantla, Atizapan, Cuautitlan de Romero Rubio, Ecatepec, Nezahualcoyotl, Chalco and Los Reyes la Paz, and despite control from SECOM meat was sold at 150 pesos a kilo for meat "carcass".

During a check that took place in the markets of Filiberto Gomez, Tlalnepantla, Pochteca, Naucalpan and Ignacio Zaragoza and Atizapan, a falling off in proceeds, was verified, up to 50 percent, in the meantime various butchershops and authorized retailers remained closed because of costs explained some butchershop owners.

For several weeks, they said, meat is being sold not by kilos, but by half kilos and even quarter of a kilogram with a number of families agreeing that "it is very detrimental".



## PSUM: Minimum Salary Deficiency

Mexico City EL DIA in Spanish 14 Jan 83 p 2

/Excerpt/ The economic branch of PSUM stressed yesterday that workers under minimum wage are facing a critical situation of increasing malnutrition.

A family that depends on a minimum wage in Mexico City, of 455 pesos a day, and considering that they comprise an average of five persons, can be sure of an average of 91 pesos of daily expenses of which according to PSUM would be distributed according to the income-expense survey in the following way:

Food, 57.51 pesos; clothing, 8.37; rent 4.90; household expenses, 6.46; doctor bills, 3.64; transportation, 3.55; recreation 90 centavos; education, 90 centavos; various payments, 1 peso 27 centavos, and others 2.50 pesos.

On the basis of PSUM's claim, the family of the worker can only allocate 58 pesos for food which is insufficient to cover the cost of the basic food basket recommended by the defunct Mexican Nutrition Plan, the cost of which was 83 pesos in December 1981 and presently is more than 150 pesos.

### Cooking Oil

Mexico City EL DIA in Spanish 18 Jan 83 'Metropoli' supplement p 9

/Text/ The rise in prices is growing in the "after Christmas slump" in local markets, self service stores, miscellaneous small stores and other commercial establishments in Valle de Mexico.

In accordance with a check carried out in the NZT (Naucalpan-Zaragoza-Tlalnepantla) zone "bottlers" have begun to sell "raw" milk to homes for 50 pesos a liter.

For their part, the butchers from the markets and butchershops in the towns mentioned, in order not to remain behind, raised to 900 pesos for an entire fillet "bola" and other "fine cuts" of beef whose average weight is 2 or 3 kilograms. The butchers in their defense plead fillets were raised these last days more than 300 percent mainly because the cost of gasoline and lubricants shot up sharply. Besides, they pointed out, minimum wage began to operate.

And finally, a liter of cooking oil is starting to sell for 105 to 110 pesos despite the official price of 95.

### Egg Prices

Mexico City EL DIA in Spanish 21 Jan 83 'Metropoli' supplement p 9

/Excerpt/ Various products of primary importance such as meat, chicken, beans, rice, etc. continue soaring in price without any sort of vigilance on the part of inspectors from the Secretariat of Commerce and Public Works (SECOFIN).

Thus stated the head of the Workers Revolutionary Confederation (COR) in the State of Mexico, Jesus Alvarado Bonilla.

Independently of the increments, Alvarado Bonilla said, there is chaotic pricing, since in some markets a kilo of tomatoes is 40 pesos and other public markets it is priced at 70.

A kilogram of eggs is sold at 80 pesos, even though its official price is 62.50.

There are places where a kilo of beef costs 290 pesos, and others where it is sold at 320, since the fluctuations are nothing but the whim of the merchants, the leader concluded.

#### Short-Weight Sales

Mexico City EL DIA in Spanish 24 Jan 83 'Metropoli' supplement p 9

/Text/ Housewives from Naucalpan are complaining about merchants and vendors of itinerant markets and "marts" who are dealing kilos of 800 grams, selling rotting produce and are violating official prices of items of basic necessity.

Teresa Calderon, Eva Mendez Pilar Mejia, Ester Galvez and Fidelina Mendoza, charged that unscrupulous merchants from Naucalpan, especially those from El Molinito, Loma Linda, San Luis Tlatilco and Naucalpan do not exhibit sign with prices of pork, beef, chicken and fish.

Greens, vegetables and fruits etc. have shot up 100 percent in some cases amidst protests from housewives and consumers in general.

Eggs, soup noodles, instant coffee, cooking oil, sweet rolls and other products are rising in price considerably.

The same is occurring in the town markets of Naucalpan, Atizapan and Tlalnepantla (Zone NZT). Also the merchants and vendors of the "marts" and itinerant markets of Ecatepec, Coacalco, Villa Nicolas Romero, Nezahualcoyotl, Los Reyes de Paz, Chalco, Chimalhuacan and Huizquilucan etc. are up to their usual tricks.

9989

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## FEATURES, BUILDING OF LOPEZ PORTILLO FAMILY DWELLINGS RELATED

Mexico City PROCESO in Spanish 31 Jan 83 pp 20-21

[Article by Jose Reveles]

[Text] Thousands upon thousands of tons of ash material originating from the digging of the Metro can still be seen today used as earth fill for natural ravines in the third section of Chapultepec Woods, right behind the irregular, serpentine southwest wall of Dolores Mausoleum. The Federal District Department [DDF] machines are working to finish leveling off hills of soapstone and rock, so as to extend artificial turf that has already buried trees and grass, and eliminated the gullies.

It was exactly the same technique used to fill another ravine, which was somewhat higher, barely 600 meters from Avenida Reforma, beside the curving street known as Cumbres de Acultzingo. There, in a variegated, triple architectural complex with Moorish and Granadan tones, Mrs Margarita Lopez Portillo, former director of Radio, Television and Film (RTC), her sister, Alicia, former private secretary of ex-President Jose Lopez Portillo, brother of both of them, Mrs Cuquita, mother of all of them, and Pilar de Cordero, Margarita's daughter, have a new residence.

For months, the narrow zigzagging street was all too often blocked by the comings and goings of scores of DDF trucks, as the residents recall. The students' transportation for the Junipero, American, Columbia, Petterson, Montessori and other schools on the route had delays, as did private car drivers. Apart from the nuisance at the time, the residents now regret the loss of a green space, and the sealing of a natural ravine.

Whether the land was private, or belonged to the wooded area of the third section of Chapultepec Woods, is something that no one knows, or wants to say:

In the Public Register of Property, the directory according to streets lists only properties that do not reach number 300 Cumbres de Acultzingo, and the Lopez Portillo ladies' Arabesque complex has the official number 303.

In the register of property-owners based on estates, none of the lots appears in the name of the present occupants and owners. The property measures at least 8,000 square meters, including the sealed ravine and a small island of land, in the direction of the woods, which is reached by a concrete bridge, now virtually completed, that contrasts with the site's natural wilderness.

At the Miguel Hidalgo local political office, under the jurisdiction of which the residential complex is situated, architect Roberto Gutierrez Cejudo, director of building permits, refused to supply any information on the structures erected at 303 Cumbres de Acultzingo, "because it can be given only to those concerned; in other words, the owners."

The same response was forthcoming from the private secretary of representative Fernando Ulibarri. (At the entrance to the office, there is a wall-sized photographic reproduction of "Mexico, capital of New Spain, during the time of Sor Juana Ines de la Cruz".)

The Lopez Portillo family (except for the ex-president of the republic, who has another group of residences at Cuajimalpa (PROCESO No 306), and his other sister, Refugio) has become part of the old community of Lomas Altas, a residential section located in the vicinity of the third section of Chapultepec Woods, between Avenidas Reforma and Constituyentes.

Some of the well-known neighbors of Mrs Margarita Lopez Portillo and family are the Guillermo Rosell de la Lamas, the Juan Sordo Madalenos, the Santiago Roels, the Jacobo Zabludovskys, the Jorge Creel de la Barras, the Jacques Flippos and the Enrique Olivares Santanas, for example. A little farther away, on the Austrian Embassy side, there are the Pagliais; and, on the side of the residence of Great Britain's diplomatic mansion, the Hanks.

The assistance of an architect and an engineer was required to make an estimate of the number of square meters constructed for the three large houses. They agreed that it was no fewer than 2,500. And then there was the financial reckoning.

If a square meter of land in that privileged area is priced at 40,000 pesos, particularly for the property involved, the backyard, view and protection of which consist of wild forest, lengthy gullies and even a trickle of water under a stone bridge, the value of the land alone would exceed 300 million pesos.

And if the number of square meters constructed, the quality of the materials and the finishing are estimated, at least another 150 million pesos would have to be added to the previous figure.

Seven chimneys top the three buildings of undefined style which, nevertheless, have a kinship with Spanish-Arabesque structures. Between the three buildings, with peak and double peak roofs, finished in brick under the eaves in the so-called "pigeon-chest" style, which has to be hand-crafted, there is a patio containing columns, with a romantic and, at the same time, plateresque appearance. Several dressing and sitting rooms lie beyond the outer walls, leading onto wooden latticed balconies, with hammered copper roofs. Some experts call them "Lima" balconies. "Bay windows" is the name that has become common among the Lomas builders.

A fourth structure, the only one with a wall facing the street, resembles a Basque country house. It is the (two-story) residence of the "security force" which guards the other three mansions.

A contrast: The guards' house has a couple of wrought iron balconies as a balustrade, while a low roof separates the lot from the street, with lighting only from a common, ordinary grilled lamp, reaching about 4 meters high. Two carved wooden doors serve as access to the residences; and, inside, in a service yard, clothing that has just been washed may be seen from the street.

Also observed from outside is a very old maroon car, a collector's item, together with a brown, equipped VAM pickup truck and a black Mustang behind both of them. Three more dark automobiles are parked in a garden-yard, which seems too narrow, facing the majestic mansion structures. The garden and largest part of the house are situated on what was formerly a ravine.

Several neighbors provide information: No one wants his name mentioned. They are annoyed by the proliferation of cars outside the residential complex, the entrance to which is located just on a curve between two bridges. There are those of the hawkers and of individuals who come to the site on visits or business. A taxi, number 45996, remains day and night outside of 303 Cumbres de Acultzingo. It belongs to the agents.

Also displeasing to the community is the sealing of one of the ravines which, together with the street, made the original terrain a triangle measuring no more than 3,000 square meters. To make the property increase to over twice its size, by filling in the smallest ravine with gravel, earth and waste, all water circulation on the site was blocked, and now a swamp can be observed at the other side of the bridge, which could become more serious when one considers the fact that some of the drainage and even garbage is being spilled above the ravine.

The arbitrary invasion of low lands in various sections of Chapultepec Hills is becoming increasingly frequent. Mention is made of the example of former Governor Francisco Luna Khan, whose house is located opposite the bridge.

Other residents complain of the current construction of a horizontal condominium, at number 2430 Reforma, which has now eliminated a nearby ravine. The owners claim to have received a permit for this from authorities in the Secretariat of Agriculture and Water Resources. It involves beds of rivers, although the latter have been virtually dried up.

During the administration of Luis Echeverria, a decree assigned a wooded area of the second section of Chapultepec for the construction thereon of the headquarters of the Association of Electrical-Mechanical Engineers [CIME]. In view of the residents' protest, CIME had to preclude the possibility of locating a few meters from the old Dolores reservoir whereby, during the 1930's, the then abundant flow of water to the capital, which was therefore so subject to flooding, was able to be controlled.

But the most notorious bold attempt to take over federal land was that discovered and reported by the residents' unions last November, when it was claimed that the individual who is still mayor of the city, Prof Carlos Hank Gonzalez, was seeking to break up a portion of the third section of the woods.

It is in this area precisely that the land is now still being leveled off with Federal District Department machines. Hundreds of thousands of tons of waste from the digging of the Metro ended up there; ravines were sealed, and there is still a large amount of material accumulated in piles, which was unloaded by hundreds of trucks.

New streets were built with amazing speed; a very old highway joining Reforma and Constituyentes and formerly leading to Toluca was widened; surfaces were graded; some trees were felled, and others were left buried. It was rumored that some super-exclusive residences were to be built there.

The land in question is located next to the Mexico City Horseback-Riding Center, less than a kilometer from the roof of the Dolores Mausoleum, on the one side, and a shorter distance from Monte Auvernia Street, close, very close to the residence of Hank Gonzalez himself. A portion of land there serves as a heliport. Toward the end of the Hank administration, a helicopter used to land there daily.

After the protest organized by the residents of Las Lomas, the project withered. The term of the capital's government had also ended. A DDF official gave this fantastic response to those who were opposed to the use of the woods for new construction: "The DDF authorities were truly shocked, because it was thought that this was private land."

It is the same woods and the same low lands; it is the same appropriation methods and the same expedients for creating areas where, from time immemorial, nature had displayed only the emptiness of its ravines. In one of the still wild sections of the capital, the attack upon the ecology is gaining ground; and there is being installed the aggressive ostentation of new buildings, the common denominator of which is showing off.



Margarita ravine



## BRIEFS

PSUM'S JARAMILLO THREATENS WITHDRAWAL--Roberto Jaramillo, member of PSUM's [Unified Socialist Party of Mexico] Political Commission, and former leader of the Socialist Revolutionary Party [PSR], will leave PSUM permanently if his views are not taken into consideration at that party's next plenum. It was claimed that the differences are over political line and tactics. Moreover, Juan Jimenez Hernandez announced that PSR is maintaining its registration, and has decided to form a new entity that will be called the Worker-Peasant Revolutionary Front. [Text] [Mexico City UNOMASUNO in Spanish 2 Feb 83 p 5] 2909

INVESTIGATION INTO DURAZO PROPERTY--Chilpancingo--Lilia Maldonado Ramirez, a PRI [Institutional Revolutionary Party] local deputy, will submit to the local congress a bill for the expropriation of the mansion which the former chief of police of Mexico City, Arturo Durazo Moreno, built in Zihuatanejo; because "it is an insult to the poverty of the people of Guerrero," and "I suspect that the 'Parthenon' was built with ill-gotten money." Meanwhile, the governor of Guerrero, Alejandro Cervantes Delgado, promised to investigate the manner in which Durazo Moreno took possession of the 20,000 square meters of land facing La Ropa beach, on which he constructed his "Parthenon." Deputy Maldonado Ramirez claimed that, in addition to the expropriation of the "Parthenon," there should be an investigation of Durazo Moreno's amassment of wealth; because "it is impossible for a policeman with a salary of 35,000 pesos to have a mansion costing 700 million pesos." The legislator added that, if the expropriation should take place, the "Parthenon" could be used as a cultural headquarters for Zihuatanejo, or could be sold, in which case the money accrued might be allocated for payment of the foreign debt. Agustin Millan Brito, state leader of PAN [National Action Party], agreed that the "Parthenon" should be expropriated, as well as "the residence that former President Jose Lopez Portillo has at Puerto Marques, in Acapulco." [Text] [Mexico City PROCESO in Spanish 31 Jan 83 p 32] 2909

CSO: 3248/536



## SYMPOSIUM HELD ON POLITICAL PARTIES DRAFT LAW

## FSLN States Its Position

Managua EL NUEVO DIARIO in Spanish 27 Jan 83 p 6

[Article by Manuel Eugarrrios]

[Text] Yesterday the FSLN [Sandinist National Liberation Front] presented its latest position on the essential context of the draft Political Parties Law. This was the last day of discussions in the symposium organized for this purpose by the Council of State. In a demonstration of political ignorance, the dissident parties refused to participate.

Comrade Carlos Zamora of the Sandinist Assembly explained the opinions of the FSLN.

In the question-and-answer period, he indicated that the FSLN naturally believes that political parties are formed to win power. However, some do it to maintain a system of privileges and exploitation and others--like Sandinism--do it so that power is exercised by the working class for its own well-being.

Concretely, he said that the FSLN feels that, in the discussions of the Council of State, it is possible to have the law state that taking and winning power is the goal of the parties.

He noted, however, that the revolution considers one thing irreversible: the dominating class that crushed and exploited the people in the past will never return to power. That has to be clear and stated in the approved legislation.

Apart from the above, the Sandinist speaker maintained that the FSLN feels that the mentioned draft must be discussed with the greatest flexibility. Everyone should have the respect and concern to listen to the positions of the other parties. The positions of the vanguard can be stated in the following four basic points:

1. The concept of party is not merely a theory but a concrete reality that must respond to the dynamics of revolutionary development; therefore, all opinions must be considered and judged rationally.

2. There must be a wide range in the principles and objectives of the political parties but the essential principles of the Nicaraguan Popular Revolution must be included in all the political groups in the country.

3. As to duties and rights, the rights of the parties must be in agreement with their duties, especially the commitments that they must assume toward the people; that is, the law must not back off from the principles and rights already won by the working masses which reveal the political power in the revolution.

4. Finally, the FSLN feels that the greatest participation of the parties is guaranteed in the formation of the organization that will apply the Political Parties Law.

As will be seen, the stands that the FSLN will promote and defend remain clearly defined. It will participate in the discussions within the legislative body today, Thursday, to hear the draft law and send it to a committee for study and analysis.

At the beginning, comrade Zamora gave a historical summary of the birth, development and actions of the FSLN, the vanguard of the people, until the final victory against the dictatorship.

In a brief narration that was the clearest and shortest explanation of the entire day with only four questions, the speaker related the brilliant and heroic history of the political group that united the best sons of Nicaragua--from the first hopes of a small group founded by Carlos Fonseca "when the dawn was only a glimmer" until the shining morning of 19 July.

As someone said, it was a summary of love and sacrifice, firm determination, eternal faith in popular victory, men who fell and rose again incarnate in others, all for Sandino and the fatherland.

#### PLI, PPSC Propose Changes

Managua EL NUEVO DIARIO in Spanish 27 Jan 83 p 6

[Article by Agustin Fuentes: "Proposed Changes for Parties Law"]

[Text] Two parties in the FPR [Patriotic Front of the Revolution] made their presentation yesterday morning at the symposium that the Council of State organized to analyze a draft Political Parties Law.

The PLI [Independent Liberal Party] and the PPSC [Social Christian Popular Party] presented some suggested modifications to the draft, especially concerning the formation of the National Political Parties Council.

This council will be responsible for applying the Political Parties Law that the Council of State passes and the Government Junta of National Reconstruction ratifies.

## Proposals

In the name of the PLI, Rodolfo Robelo Herrera proposed that the Government Junta have less influence in the formation of that council than the draft cites.

Also it should be stated that the political parties aspire to exercise public power.

He did not give any other details.

For the PPSC, Cesar Delgadillo Machado stated that it believes that the council should be formed by three members appointed by the Government Junta and four elected by the political parties.

He also proposed that, in case of disagreement with council resolutions, the parties can appeal to the Supreme Court of Justice.

As to the aspiration of the parties to power, Delgadillo said that this point "should be studied carefully in order not to endanger the revolutionary process and the social advances achieved by the armed people in power since the triumph of the Sandinist revolution."

## History of the PLI

Robelo Herrera gave the history of the PLI since its foundation in 1944.

Through his narration, the participants could see that it is a political group that, in spite of having poor mass organization, has intermediate and leadership cadres who throughout recent history kept that party on its feet fighting undaunted against Somoism, overcoming flattery, threats, persecution, prison and assassination.

At times, it was the only real opposition party when the Conservative Party, first headed by Emiliano Chamorro and then led by Fernando Aguero, betrayed the people and entered into pacts with the Somozas for the continuation of the dynasty.

On several occasions before 1961, the PLI was the only way for the working class to make demands and for the future revolutionary youth, who later were a factor in the victory of the people, to begin their first organizational phase.

## Many Martyrs

Throughout their fight against the dictatorship, the members of the PLI almost exclusively felt the Somozist repression in the 1940's and 1950's, producing the first martyrs of the revolutionary process.

The following PLI members, among others, were assassinated: Uriel Sotomayor, Luis Scott, Luis Gabuardi, Edwin Castro and Ausberto Narvaez.

Enoc Aguado, Enrique Lacayo Farfan and Ricardo Wassmer left jail to die as a result of terrible tortures.

#### Worthy Position

Robelo Herrera indicated that the PLI withdrew from the FAO [Broad Opposition Front] on 1 January 1979 when the latter accepted U.S. diplomat William Bowdler's request for a direct dialogue with Somozist representatives.

Shortly thereafter, the PLI became part of the real internal insurrectional and revolutionary opposition force: the National Patriotic Front founded on 13 February 1979. The delegates from that party were Socrates Flores and Robelo Herrera himself.

He also indicated that the National PLI Assembly held in the combative sector of Monimbo in Masaya on 1 May 1978, already in full revolution, agreed that the only way to freedom was the armed struggle and recognized the FSLN as vanguard in that struggle.

#### Member of the FPR

Consistent with that line, the PLI is now part of the FPR where the FSLN is recognized as the vanguard.

The Official PLI Day is 21 February, the day General Sandino was assassinated.

#### Political Line

Robelo Herrera said that the PLI has the following political line:

It is democratic and revolutionary and favors an authentic popular democracy.

It advocates scientific, humanistic and free education.

It believes that large enterprises must be nationalized but patriotic businessmen should be allowed as long as they do not become exploiters--that is, they fulfill the social function of ownership.

It supports a scientifically applied agrarian reform.

It proclaims an international policy of friendship with all the countries of the world and a policy of nonalignment.

It maintains the right of the people to choose the government it prefers.

It is nationalist, anti-imperialist, an advocate of the fights for national liberation, pluralistic, democratic, an advocate of a joint economy, sovereignty, independence and, especially, peace.

## History of the PPSC

Delgadillo Machado explained that his party is the result of a conflict within the heart of the PSC [Social Christian Party] founded in 1959. In 1966, it divided into two groups:

The conservative sector of the PSC merely seeks modernization of the capitalist system.

The other, the PPSC founded by Manolo Morales, is revolutionary, involved in the revolutionary process.

The old PSC joined the FAO which sought the overthrow of the dictatorship and Somozism without Somoza.

The PPSC joined UDEL [Democratic Liberation Union] which meant broad anti-Somozist unity and upheld the revolutionary demands of the large majorities.

## Present Situation

The PPSC is now part of the FPR, at the side of the revolutionary people.

The PSC belongs to the so-called "Democratic Coordinator." The MDN [Nicaraguan Democratic Movement] which headed this went over to counterrevolution so the PSC became head of that group due to a maneuver concocted with the support of conservative political sectors in Venezuela, the State Department and the CIA.

With Venezuelan aid, the PSC carried out more organizational activity.

At the same time, the Catholic hierarchy headed by Monsignor Obando used its summoning power for the "Democratic Coordinator" and the PSC. This has already occurred in certain demonstrations, disguised as religious, held at the Don Bosco Youth Center.

As a supporting fact, he said that Monsignor Obando has been decorated twice in less than 2 years by the Social Christian government of Venezuela.

## Political Line

Delgadillo said that the PPSC is motivated by "socialism with Christian inspiration" which he described as "profound ethical content."

It preaches a new social, democratic order that leads to what he called "a republic of workers."

It considers the present economic structure of Nicaragua as transitory since it seeks a state that has complete management of the economy "with some private participation."

It stresses cooperative ownership as a superior phase to private ownership.

It agrees with nationalization of goods that better serve the collective rather than individuals.

As its final goal, it advocates "a classless society."

It supports "effective nonalignment" without bloc hegemony.

It sympathizes with the movements of national liberation and with political pluralism to produce different opinions within the framework of the revolution.

It supports complete religious freedom, the agrarian reform policy of the revolutionary government, the health and education programs and the subsidies for basic foods.

It rejects the idea of a single party.

It advocates "socialism a la Nicaragua" where the working class holds the power on a libertarian and democratic plane.

7717

CSD: 3243/529

## FDN LEADER CHAMORRO CORONEL DISCUSSES STRUGGLE AGAINST SANDINIST REGIME

San Jose LA REPUBLICA in Spanish 30 Jan 83 p 14

[Article by Jose Luis Fuentes]

[Text] "A democratic republic is being born amid the din of battle which, day by day, is being waged by thousands of Nicaraguans in the northern part of the country who do not agree with the government junta." This was stated by Edgar Chamorro Coronel, a member of the National Directorate of the Nicaraguan Democratic Force (FDN), in an interview with LA REPUBLICA.

In an atmosphere of growing dissatisfaction, farmers, former Sandinist militia members, and professional army soldiers are carrying on a struggle which will end with the expulsion of the nine Sandinist commanders who are now ruling Nicaragua and with the salvaging of the original plan to establish a "pluralist democracy" in that country, Chamorro indicated.

He and two other directors of the FDN were in Costa Rica to present a peace proposal to the Sandinist commanders in order to open up a dialogue between them and the FDN which would make it possible to apply and respect the principles for which the revolution was won in July, 1979.

The FDN considers that these ideals have been betrayed by the Marxist-Leninist government in not carrying out its commitments concerning the last three points of the resolution approved by the foreign ministers of the countries of the Americas. These refer to the respect for human rights, the holding of free elections, and the establishment of a pluralist democracy.

Chamorro Coronel said: "If they keep to this original plan, we will be in a better position to cease hostilities which are now going on throughout the country, for in view of our position as men of peace we do not want to have any more of our brothers' blood shed in our country."

The proposal was made on 14 January, and this week the 2-week deadline expires for the government junta to reply. "We hope that the Sandinist government will call on us to open a dialogue in order to begin negotiations on the 12 points in the resolution of the foreign ministers."



As long as the Sandinist rulers delay responding, the fighting will continue to increase, with pressure exerted by the military arm of the FDN, which will bring the situation into a state of total war, if they do not decide on the path of dialogue. "We don't want it like this, but the military path is the only way or option which they are leaving us."

The military wing of the FDN is made up of "several thousand" armed personnel, although the directors prefer not to reveal the precise number. The directors here refer to Alfonso Callejas Deshon, Edgar Chamorro Coronel, and Indalecio Rodriquez, who made the proposal. The other two members of the directorate are Enrigue Bermudez and Mrs Lucia Cardenal de Chamorro.

Rodriquez, who was rector of the University of Nicaragua, stated that part of the civilian group within the FDN is made up of Nicaraguan democratic organizations and that, as far as the military wing is concerned, there are no foreigners or international volunteers within it.

Chamorro Coronel added that "the constant accusation that the FDN forces are made up of 'National Guard forces of the Somoza regime which have committed genocide' is mere calumny, is totally false, and must be cleared up once and for all. About 80 percent of the combat forces are made up of farmers who never had anything to do with any organized armed force. It is just that, having seen disasters, massacres, the total state of chaos in our economy, social injustice, and the acts of repression which they themselves, the members of their families, and their friends have suffered from the foreign units which are in Nicaragua, they have been joining our people. About 17 percent are former militia members or former Sandinist supporters, and only 3 percent are made up of professional military personnel from the former National Guard, which was not a private army. Here in Costa Rica there is no national guard made up of supporters of Figueres or Monge."

Concerning how the republic will be formed, Chamorro Coronel stated that the FDN does not want political power but only wishes to reestablish the original plan under which the political parties will take power through elections, following which a national constituent assembly will be called into session by a transitional government.

He commented: "The people are responding to the call and are organizing themselves in an impressive and systematic way, which makes us certain that they will fight like the Afghanis and will not be subdued or exterminated like the 4 million Kampucheans who have died. Rather, they will carry on the war which, sooner or later, will finish off this occupation of the country by inter-continental imperialism."

5170

CSO: 3248/538



## PSD'S RUDY IBARRA DISCUSSES POLITICAL PARTIES

Managua LA PRESNA in Spanish 27 Jan 83 p 16

/Interview with Rudy Ibarra, leader of the Nicaraguan Social Democratic Party; date and place not specified/

/Text/ Summary: Social Democrats reaffirm decision to advance on the struggle to gain political power. Rudy Ibarra, leader of the Nicaraguan Social Democratic Party (PSD), believes that the two-party system has passed into history to give way to a multiparty system. The people should rule through their political organizations, says the social democratic leader. The concept of a single party is also obsolete, asserts Ibarra.

LA PRENSA: How can you summarize the function of political parties in national life and what would be their current functions?

Rudy Ibarra: In the past, political parties were nothing more than groups which defended their own interests, the interests of social classes, to repress and exploit the great majority.

The traditional parties always have spoken on behalf of the great majority of the people, to which they offered many things, and that was their way of going to the elections, deceiving the people, making promises they never kept.

Our PSD is based more on reality. We have, in our platform, the vision of real things. We do not try to say that we represent the feeling of the great majority. We only say that part of the national community supports us and we believe that all of us have the obligation to promote the emergence of other political parties. There should be more ideological organizations with which the people can identify. At the same time, these organizations should have the freedom necessary to grow and develop.

A political party performs a social function. Political parties are the leaders of intermediate societies. When I speak of intermediate societies, I mean organized groups such as labor unions, the communities. These social groups must not be sectarian. They must be independent and pluralist. They must defend their interests, which is what unites them.

Ibarra added in this part of his comments that the persons grouped in these social sectors, intermediate societies, can be freely affiliated with the country's existing political parties.

All political parties should be represented in the political duties of government, in functions of government, in the administration of government. The social democratic leader also said:

"We believe that all the people should participate through their organizations in the administration of the state." He further emphasized that a political party must not govern only for its own partisan sector.

"It must govern for all the people. Sometimes it is said in some places that power, the government, is of the peasants or of the working class. You can imagine what it would be like if, on the other hand, we heard that government is of the businessmen or of the professionals. We then would be involved in a total class struggle and we would be increasingly ruled by a different class, one oppressing the other. Political parties should think about the duty of governing for all the people," he said.

Ibarra added that political parties govern for the entire community, and not on a partisan or sectarian basis. A political party should always believe that it is the duty to govern for all the people--for workers, peasants, professionals, industrialists, and so forth.

#### Two-Party System

LA PRENSA: What is the PSD stand on the two-party system?

Rudy Ibarra: Historically, we have seen it. There were the liberals and conservatives, getting along and sharing power, sharing government and the spoils. We would be the first to oppose a two-party government operation.

LA PRENSA: How does the PSD function within the political masses?

Rudy Ibarra: We do not try to mass persons. We work at the level of cells, which are quite conscientious and politicized, in the districts, in towns, in regions, in the municipalities of all the country's departments.

We want that all the people be aware and part of some political organization, for which different ideologies must exist so that the people can choose the party and ideology that best suits them, without coercion.

We believe it is dangerous to give power, all the power, to a political party. A political party should govern by giving all the minority political organizations the opportunity to participate. Regardless of how efficient a party might be, it always represents a portion of the national community, not the entire community.

LA PRENSA: Independent political parties, including yours, have been labeled archaic, as obsolete models or structures. What do you have to say about that?

Rudy Ibarra: We believe that we should participate in the construction of new structures, that we have to be builders to create a new society, a society in which there are neither exploiters nor exploited. A society in which the government should not become exploiter, or coerce the bureaucracy; in which government should not coerce the civil servant. It should not require that the civil servant belong to the ruling party just for being a civil servant. A civil servant is a professional and, regardless of which government comes to power, he holds his position, his responsibility to the country and its people.

Diplomats, for example, are free to hold the ideology they prefer, and they maintain their diplomatic position because it is a diplomatic career. They can be reassigned from one place to another but not dismissed.

#### Votes Remove Obsolete Governments

LA PRENSA: Toward the end of the 18th century and beginning of the 19th, the vote emerged as a mechanism of rising to national power, and a small group of intellectual politicians then were in control. However, there have been advances in the history of humanity. What is the PSD's opinion regarding such traditional processes?

Rudy Ibarra: We should understand that there has been progress in such electoral processes since the 19th century, and it is now close to the end of the 20th century. In those days, very small sectors of society, the intellectual sectors, could travel abroad because they were the rulers. They were the estate owners with servants and peasants following them because of their serf status

The servants gave them their votes and made them their masters for being the big lords. Those times have changed. A worker, a peasant or a professional today should have the opportunity to rise to government rule as long as he possesses the necessary firmness to rule for an entire nation.

We are against class governments. We do not believe in the type of government of a single class, which would oppress another class.

If a party obtains 40 percent of the (electoral) votes and wins the presidency and other parties obtain lesser percentages, these should participate proportionately in the administration of government, in the cabinet, in the legislature. In this way all parties would be committed, but respecting the elected government. All organizations, all the people who voted, would participate in the administration of the state.

9925

CSO: 3248/527

PLANNING DIRECTOR ON FOREIGN DEBTS, EXPORTS

Paramaribo DE WARE TIJD in Dutch 15 Jan 83 p 1

[Text] As stop-gap relief for suspended Netherlands development assistance, Suriname is contracting, among other things, loans with friendly countries and private individuals to see to it that in every case the Suriname people do not suffer because of the illegal action of the Dutch government.

What are the chances now of borrowing money?

"Extraordinarily good," according to Engineer Winston Caldeira, head of the planning bureau. In a conversation with DWT [DE WARE TIJD] he explains why.

Legitimate Suriname Claim to Funds

The amount involved in what is called "stop-gap credit," amounts to about 200 million. A stop-gap measure is mentioned because Suriname assumes that it has a legitimate claim to the agreement funds which the Netherlands must remit to Suriname. According to Caldeira, "we expect that in a year the Netherlands will become reasonable and will provide the money later."

Suriname's claim to this, so he continues, is strong. The Netherlands has namely already approved the financial appropriation for a number of projects for the first quarter of 1983 on the basis of the usual tripartite discussion to an amount of over 31 million Suriname guilders. Moreover, it involves here projects now underway for which it has already been agreed that financial payments will continue for this purpose on the basis of CONS [Netherlands-Suriname Development Cooperation Committee] approval. This monetary remittance, as formally agreed upon in the treaty, has been approved by the tripartite administration. This administration involves the Netherlands Embassy, the Planning Bureau and the MOP [Ministry of Public Works] accountants, who are appointed by both parties. All this makes Suriname's claim to the money very strong.

But what is to be done now, if this money is not released in the short term. Besides taking steps to force the Netherlands to pay, we can contract loans with third parties (in the Republic of Suriname, in the Kingdom of the Netherlands, with creditors who can be both private individuals or state, domestic and foreign).

#### Low Foreign Debt

"If we go into the foreign money market, we are not beggars. We are not borrowers who go dressed in rags," says Caldeira. Suriname's credit standing is especially high and he demonstrates it with figures:

Our foreign debt is about 46 million, which is a relatively low amount. In addition to that, of this amount, approximately 36 million is a debt with the Algemene Bank Nederland, which was contracted by the government before 1980 for financing the West Suriname Railroad. This means a loan with a Netherlands state guarantee.

Until now Suriname has paid the amortization plus interest promptly. For Suriname meets its agreement obligations conscientiously, although in this case the rail line is completely unproductive. "Since it is the Netherlands' fault that we cannot repay that debt, they can maneuver us into a position where we possibly must suspend our payment obligations," says Caldeira. "However, I assume that this will not happen." It will depend on to what extent relations between Suriname and the Netherlands deteriorate. If the situation is carried to the extreme, then that can mean on balance for our country a drop in the foreign debt to only 10 million.

#### High Export Potential

Consequently a low foreign debt, especially if we compare this with other figures which are important in this context: a national income of 1,900 million per year and an amount of 850 million in export revenue, which will take place, with the expected increases because of higher bauxite, alumina, aluminum and rice prices and quantities. All this gives a favorable picture and that is important if you are going to loan money, to the extent that the ability to repay is relevant.

What are the prospects now with respect to this?

Director Caldeira: "Suriname's export potential is especially high and our country's ability to repay is determined to a great extent by this. Although exports are now lower both in quantity as well as in price as regards bauxite, alumina and aluminum, this

situation will not last long. Their export value will increase considerably. And what is certain, is an increase of rice products, palm oil products, fish and wood products. Our rice area is expanding which means an increase of exports, for the domestic market is already satisfied. And there is a growth potential even in other sectors."

According to the planning bureau's calculations and analysis, the situation appears extremely favorable for our country to contract foreign loans, both from a financial-economic as well as a political-economic standpoint.

8490

CSO: 3214/17

## CAREER, VIEWS, INFLUENCE OF HERRENBERG VIEWED

Amsterdam ELSEVIERS MAGAZINE in Dutch 5 Feb 83 pp 19-22

[Article by Sig. W. Wolf]

[Text] With difficulty but with great flair, Suriname's ambassador [to the Netherlands] made his way to the top in his country. "Suriname politics is nice, if you know how to make the right choice in time."

Anybody who knows Suriname's ambassador Henk Herrenberg would hardly have expected anything else of him. Six weeks ago he silently left to find out in person about the course of events in Paramaribo, and last week he came back rejoicing. Excellently timing, quite in his style. A few days after his departure strong man Desi Bouterse had 15 opponents of his iron régime seized, including his former confidant Roy Horb. By his quick departure from Suriname, Herrenberg avoided being saddled with part of the responsibility for Bouterse's latest carryings on. Before his departure from the Suriname capital he let it be known that developments in his country had been entirely wrongly understood in the Netherlands. Anybody that does not believe that everything in Suriname is going like clockwork may go and see for himself. As soon as he was back in the Netherlands he accused the French press agency AGENCE FRANCE-PRESSE [AFP] of spreading lies. AFP had reported that Herrenberg had brought a secret message back with him for the Dutch government. "I just made a courtesy visit to Van de Broek, the minister of foreign affairs. I had been away for 40 days. And that is something," he let it be known in The Hague.

Herrenberg is eager to let it be known that he is back, just as aggressive and determined to defend his employers as he was at the beginning of December. In a 4-hour press conference he read his audience the lesson. Not fiercely or vindictively, but in a jovial manner. Almost everybody then left the embassy building on the Alexander Gogelweg in The Hague in great doubt.

His demeanor was that of a comic at the peak of his career. He managed to inspire a certain confidence in spite of the situation in Suriname. His mission appeared to have succeeded.

A few hours later this meeting turned out to have a distressing aftertaste. Hours earlier army commander Desi Bouterse had conducted a punitive expedition



against his principal opponents. Buildings went up in flames. Fifteen leading figures in society, including several good friends of Herrenberg's, were shot down without any form of trial. When Ambassador Herrenberg was asked for information about these executions, he did not know what to say. All he could come up with was: "I have heard the reports, too. At third hand. It sounds exaggerated and highly improbable to me. I was well aware that there are serious problems in my country. We must not look back on the past, but work for the future of the country and the people. As a patriot, I will throw myself into it wholeheartedly."

Ten days later Ambassador Herrenberg reported to the military headquarters of Army Commander Bouterse in Paramaribo. Immediately afterwards he was on a pilgrimage to several Latin-American countries seeking financial support now that the Netherlands had cut off its development aid to Suriname. A mission, by the way, that accomplished nothing.

Speedy Henk, "the millipede of Suriname society," did not allow himself to be discouraged by his unsuccessful mission. He went to the aid of the military rulers in their laborious attempts to form a government. That job was right up his alley. He had waited for over 20 years for this chance to display his unappreciated talents as a political medicine-man. He quickly called together trade union leaders, businessmen, politicians, and religious leaders. In record time he prepared a report for a new government.

With that his job in Paramaribo was finished for the time being. Now he had to get back to his post in The Hague as quickly as possible to get the demoralized embassy personnel back in harness and to call hostile fellow-countrymen to order. A task that was made to order for him.

As the son of a spare-time preacher, he handles the language of Canaan skilfully to bring those who have gone astray back to the right path. But he also feels himself supported by his vision of society, a strange mixture of watered-down socialism and cryptocapitalism that has gotten him nothing so far. The seed of this outlook on life was planted when he came to the Netherlands in 1959. With only a higher grade-school education to his credit, the doors of the universities were closed to him. He so wanted to study law. In compensation for this disappointment he worked for 6 months as an assistant at the Amsterdam process-server's office, Stoppelsteen. Appraising household goods and serving subpoenas on defaulters were not greatly to his liking. His earnings were so low that he feared he would sooner or later find a colleague on his doorstep. He evaded that threat by going into the Dutch military service, where he rose to battery sergeant in the artillery.

Herrenberg wanted to become a professional soldier in order to be able to go into service with the military force in Suriname. The army was a way out for him. For, as he already knew at the time, if you want to change certain things in Suriname you have to be sitting close to the weapons. An insight that he was unable to act on for 20 years. The repeated requests for professional military education were to no avail. That worried him. He decided that after his period of military service he would join the society "Ons Suriname" [Our Suriname], a little group of fanatical Surinamers that would like nothing better than to put an end to the Royal Statute for Suriname.



Herrenberg did not feel at home in Ons Suriname's parlor revolution. It was therefore with great eagerness that he accepted the Algerian government's offer to take a course in journalism in Algiers on a scholarship. Ben Bella's Algeria was the center for "liberation organizations" of, e.g., Angola, Mozambique, and Portuguese Guinea. Now at last Herrenberg felt at ease. "Not because I was the same color as those people, but their urge for liberation and their motivation infected me," he told friends later.

In Algiers he also got acquainted with Che Guevara, who was a guest lecturer there. The climate of life in Algiers suited Herrenberg so well that he stayed there 3 years to study political science. As a compliment to his mentor Guevara he named his son for that Cuban revolutionary.

Three years of study was enough for Herrenberg. In 1966 he returned to his native country and stood beside the cradle of the Party of the Nationalistic Republic (PNR) headed by the lawyer Eddy Bruma. Bruma and Herrenberg fought against the then strong man of Suriname, Jopie Pengel. Herrenberg became head of the so-called ministry of foreign affairs of the PNR. A function that put him in a position to make numerous trips to Cuba and to pillory Pengel for his "lack of international orientation." The young politician Herrenberg took offense at Pengel's corrupt practices and his unwillingness to carry out drastic social reforms. "You can argue about reforms for a year, two years, or even three years. But after that you have to do something. These men just talk and see to it that they and their henchmen get what they want. They leave the slum people in their misery," he pointed out to his supporters.

With this fierceness, unknown in Suriname up to that time, Herrenberg brought down on himself the wrath of the public. He was continually heckled in the press because of his Cuban fantasies and his Cuban friends, whom he always put forward as brothers.

The impetuous young politician Herrenberg lost all credit when in the boundary dispute between Suriname and Guyana he went off on his own to Georgetown and pleaded there for consultation between Pengel and the Guyanese prime minister Cheddie Jagan. That was going too far even for his fellow members of the PNR. Herrenberg was expelled from the party. While it is true that he had lost the confidence of the political taste-setters to a considerable extent, nevertheless, by his stubborn behavior and the engaging way that he managed to defend his actions he gained in popularity in the tropical barrooms. His popularity rose when in 1971, as honorary chairman of several industrial unions, he stood up for his members' wage demands and for their right to strike. The Pengel government accused him of planning to organize mass strikes, a thing that was regarded in the Suriname of the time as a great evil.

Herrenberg defied the attacks. He knew that as an employee of the Suriname television he had a powerful weapon with which to defend his actions. His position with the state television was threatened when he came under suspicion as correspondent of the NCRV [Netherlands Christian Broadcasting Association] news program "Here and Now" of spreading scandal about the Pengel government in the Netherlands and dishonoring the name of the country. He defended himself by pointing out that freedom of speech and hence of the press is one of the great virtues of democracy: "Whoever attacks the press is tampering with the

foundations of a fair and healthy society." Interesting words from this very same Herrenberg who now misses no opportunity to rail at foreign journalists' reporting on the dictatorial régime in Paramaribo.

The Herrenberg of that time also repeatedly made an appeal for support of his Suriname colleagues, in particular André Kamperveen, director of the broadcasting company ABC, since executed by the military; he furnished a great deal of money for the Suriname Socialist Union that had been established by Herrenberg by that time. His strongly developed feeling for appraising changes early and then defining his position caused Herrenberg to be regarded in Suriname as a full-fledged *wakaman*, an opportunist of the first water.

After he saw that his Socialist Union would get no footing in the elections of 1975, he joined the opposition leader Lachmon's United Democratic Party. Herrenberg appeared as number five on the list of candidates. That gave him his entry into the Suriname parliament. Herrenberg's coming was cordially welcomed by Lachmon, because he thought that with the acquisition of the young Creole politician many people from that population group would also join the party.

In Suriname there was great esteem for Herrenberg's courage in joining the Hindustani bloc, and also respect for the stunts that he thought up to call attention to himself. Such as his hunger strike in opposition to the Pengel government. Wrapped in a blanket, he had installed himself at a strategic spot in Paramaribo where everybody could admire him in his protest. Herrenberg was the first Surinamer to go on a hunger strike, and probably also the first hunger striker in the world to end such a protest action well-nourished and with a considerable increase in body weight. The cunning Herrenberg had seen to it that during the nocturnal hours, when all Paramaribo was asleep, friends brought him hearty portions of *nassi*, *bami*, and Hindustani foods, supplemented with bottles of beer. The national jolly joker did not deny this. He defended himself by pointing out that "when so many million people in the world are suffering from hunger, it would be the greatest shame if I let the food that was offered me rot."

Nobody took this droll excuse amiss. And everybody had gotten used to his constantly putting himself forward as an intermediary in labor conflicts or political skirmishes. His whole life seemed directed toward being on the spot when difficulties threatened and he could draw profit from them. As in the stirring days of December 1979, when grumbling noncommissioned officers got into trouble with Prime Minister Arron. Herrenberg was the only member of parliament who had the confidence of the noncommissioned officers. He warned Arron of a possible escalation of the conflict. The Suriname prime minister, like other members of parliament, paid little attention to the hint.

It was suspected that Herrenberg was trying to make political capital out of the conflict, especially as he had found no place for his Socialist Union in a coalition for the coming election campaign. Herrenberg was able during the conflict, as always, to cover himself for the chance that something went wrong. "I warned you. You need not follow my good advice," he was constantly reminding both the mutinous military and the government and opposition parties.

After the *coup d'état* of February 1980 he profited enormously from his unclear position. He was one of the first politicians of the old guard to take the side of the sergeants in the Memre Boekoe barracks. He made sure of keeping himself informed about what was going on in the cantonment by making his wife Carmen available as secretary of the National Military Council, the highest governing body during the first months after the *coup d'état*.

Herrenberg had created a modest job for himself. He acted as host and guide to the numerous foreign journalists. For the NOS [Netherlands Broadcasting Foundation] journalistic team he rented the biggest, most expensive automobile in Suriname. He took care of a shuttle service from Paramaribo to the neighboring French Guyana, where the newspaper pictures were radioed to the Netherlands. Day and night Herrenberg hung around the bars and swimming pools of the hotels, always whispering the very latest news to his colleagues and ready to "rustle up" anything. Whether it was an interview with one of the sergeants or with a politician of the old order, keeping an eating place open after hours for his colleagues, or getting hold of exotic birds. Nothing was too wild for him.

Sometimes he thought that his hospitality was being abused by not forwarding the reports that he had aired. In those cases he knew how to make his annoyance known in a joking way. "You are laughing at me, eh? That you don't know how to value my information at its true worth is your affair. But I do take it amiss that you spoil my pleasures. If I sit in a bar next to a pretty woman, word gets out that Henk was about to rape a woman. If I drink a glass of apple juice at eight o'clock, I read later that I started drinking whiskey early in the day. If I am seen with a military man on the street, you say I am plotting a counter-coup. A fine set of gentlemen. Go on and laugh."

Herrenberg consistently denies that he has higher political ambitions. He feels that he is a patriot first, and will use every means to disseminate his patriotism. The military rulers in Paramaribo know that. They can call on "speedy Hank" at any moment.

For this subservience he was honored at an early stage with a scholarship for a year's study in Colombia, to deepen his knowledge of international relations. Later he was *chargé d'affaires* in Guyana, to occupy the not very attractive post of ambassador in The Hague later.

In spite of the countless threats, in the Netherlands he feels as free as a fish in the Suriname river. He knows that most of his fellow-countrymen blame him for not detaching himself from the military dictatorship that murdered several of his friends. But the Cuba fan Herrenberg pays little attention to that. He swears by his "winged" word: "Suriname politics is nice if you know how to make the right choice in time."

4815

CSC: 3214/16

## PINERUA, AD TRADITIONAL WING REPORTEDLY GAINING STRENGTH

Caracas RESUMEN in Spanish 6 Feb 83 pp 20-21

[Article by Sergio D'Ambrosio: "Luis Pinerua's Position in Democratic Action Is Becoming Stronger Every Day"]

[Excerpt] Luis Pinerua's position in AD and among the public is tending to become stronger. This has been shown by the various expressions of support that he is receiving, and by the increasingly dramatic isolation of Eleazar Pinto and Jose Vargas.

The case of the so-called Workers Bank (BTV) is tending to result in an explosion, with undreamed of political consequences, when, on the one hand, COPEI [Social Christian Party] has attempted to incorporate it into its election strategy and, on the other, a faction has arisen in Democratic Action that is trying at all costs to take advantage of the blame falling on CTV [Confederation of Venezuelan Workers] and the Trade Union Bureau for weakening the labor leaders' influence in the party. So, little by little, a battle has been joined on two fronts, in a way explaining the contradictions and misgivings with which both parties have handled the situation.

On the COPEI side, a first sign of attack was given in San Cristobal, by presidential candidate Rafael Caldera, at the end of the week before last, when he stated that "Luis Pinerua's charges are assuming extreme seriousness" and, subsequently, by Eduardo Fernandez, secretary general of the Social Christian Party, who remarked on Marcel Granier's program, "Limelight": "Luis Pinerua has become, overnight, an authentic representative of Democratic Action's most deepseated traditions."

In the white party, however, deeds replaced words, and since the first impact of the charges in RESUMEN and their repercussions on the capital press, more and more declarations have been heard from the side of Luis Pinerua, and it has become evident that the former presidential candidate has defeated all the maneuvers to isolate and discredit him. This was noted in the interview that he granted to EL NACIONAL on Monday, 17 January, and later, in the letter published by the newspaper EL UNIVERSAL on Tuesday, 18 January; and, finally, in the expression of support that he received on Wednesday, 10 January, at the Hotel El Conde, from AD members and sympathizers. In other words, the former presidential candidate was asserting himself, and his political resurrection was already a fact.

Jose Vargas and Eleazar Pinto

But perhaps the most significant aspect of the recent development of the BTV problem was the isolation to which Jose Vargas and Eleazar Pinto succumbed. After having

been on the offensive during the upheaval in December, they later played the role of victims, and ended up giving the press wild statements, such as the one to the effect that "BTV earned 93 million bolivares last year." They have been in the headlines over and over again, but always in connection with the investigation being conducted in the 10th Court of the First Instance for Penal Affairs, concerning matters related to the El Tigre and El Tigrito land operation.

The Democratic Action conglomerate has also become sensible, and now very few leaders appear to be unconditionally backing the heroes of the "social pact" and "state capitalism." Except for C.A. Perez and David Morales, the supporters of the bank unionists have become more cautious, and now everyone agrees that "if irregularities were committed in the bank, those to blame should go to jail."

But the most noteworthy changes have taken place in the realm of the public, which has been learning from the honest press the true dimensions of the BTV scandal. Following the charges made in the last issue of RESUMEN, there ensued three editorials in EL DIARIO DE CARACAS, Pinerua's interview in EL NACIONAL and the publication of a letter sent by Luis Pinerua to Democratic Action's CEN [National Executive Committee].

In all this material it is made clear who are really guilty of the greatest swindle known in history, how urgently necessary it is for those to blame to be identified and punished, and that the men and women who were harmed by the bank's irresponsible administration should recover their funds.

#### Politicians Against Unionists

Democratic Action is a political organization which has recently been subjected to too much influence from the unionists on the party's orientation; an influence which began by being essentially moral, since the labor leaders represented the organization's most intimate and deepseated interests, but which later became a haggling over political and economic benefits, since those same labor leaders were being converted into representatives of the bureaucracy and the capital.

#### The Old Guard Returns

Obviously concealed behind Luis Pinerua's charges concerning the BTV scandal was a clever political maneuver, through which it was sought only to strike at the leadership of C.A. Perez and, essentially, to put an end to the excessive influence that has recently been imposed by the Trade Union Bureau throughout the party's entire activity. It might be an attempt to normalize a relationship which is by no means one of subordination of one sector to another, but rather marked by pure and simple acceptance of the opinion of the majority. Then there would be an end to the absurdity of a labor leader's being able to attain the position of secretary general for that reason, because he is a labor leader, and of those aspiring to the presidential candidacy having to pay the toll of accepting all the impositions made by the union bureaucracy, including that of imposing on them a government program the significance and meaning of which they themselves have not been concerned about determining.

It might also be an attempt to promote a new labor leadership that would be more authentic and not corrupt, one which would practice democracy, lead a simple life and not wander off along the path of erecting an economic superpower which always ends up becoming a boomerang, because it helps to benefit everyone except the working class.

The battle between the AD old guard and the Trade Union Bureau has just begun. We are, indeed, certain that the better the public is informed about the monstrous violations committed in the BTV administration, the better the opportunity will be to impose the views of those who believe that the ones who are guilty should be punished. Obviously, in political discussions, just as in war, it is easy to tell where they start, but not where they finish.

2909

CSO: 3348/238



## ANALYSTS ESTIMATE UNEMPLOYMENT RATE AT 11 PERCENT

Caracas ZETA in Spanish 13 Feb 83 pp 24-25

[Article: "Unemployment: A Specter Traversing Venezuela"]

[Text] Whereas the government puts the unemployment rate at 7.1 percent at the end of 1982, FEDECAMARAS [Association of the Chambers of Commerce and Industry] sets it at 13 percent, and CTV [Confederation of Venezuelan Workers], at 14 percent. Independent economic analysts estimate that the joblessness amounts to 11 percent. The economically active population in our country totals 5 million, and each year 45,000 Venezuelans enter the job market.

It has been a long time since so many people have been observed visiting the job centers in search of employment. Before 1979, this was a virtually unheard-of situation. During the administration of Carlos Andres Perez, businessmen or owners used to go hunting workers to employ. The Venezuelans fit for work used to place an ad in the newspaper, and they immediately obtained a job. They also committed the abuse, since it was so easy to become employed, and they had double indemnity (a measure that was severely criticized), of not making a great effort to retain the employment or to produce what was necessary. Job changes were frequent, and people left their jobs for any trifling reason. The peddlers disappeared, the percentage of lottery ticket sellers declined and other forms of underemployment disappeared as well. Decree 21, which ordered that all restaurants, bars and other public places had to employ one person to clean the rest rooms, and Decree 48, which ordered the employment of elevator operators in all office buildings, served to absorb a large amount of unskilled labor.

The economic growth, which was 6.3 percent during that 5-year period, the boom in the construction industry and the impetus given to small and medium-sized industry were among the factors that caused Carlos Andres Perez to leave an unemployment rate which stood at 6 percent.

#### The Cooling of the Economy

When Luis Herrera Campins assumed the presidency of the republic, he devised an economic policy that was called cooling the economy. He discarded the policy of substituting for imports, and freed from controls the prices of the main products which comprise the daily diet of the Venezuelans. Concurrently, at the Central Bank of Venezuela, a monetarist policy was implemented to curb inflation, which led

to the restriction of bank credit. Interest rates rose so much that they caused money to become remarkably expensive, to the point where it was virtually impossible for small and medium-sized manufacturers to have access to the sources of bank financing.

It was claimed at the time that the policy of cooling the economy would be temporary, but those who believed the government's word were left waiting, because it has been permanent. All these elements comprise a state of economic recession from which we have not emerged. The effects of the shrinkage have not been long in coming. The closing of business firms has begun, particularly among small and medium industries; and the construction industry (which is the country's largest employer) has started a shrinking process that has led it to operate at 50 percent of its capacity and to generate unemployment amounting to about 100,000 workers, or slightly more than that. If one adds to this the recent intervention of the Venezuelan Workers Bank, which threw 26,000 workers from the construction industry into the street, owing to the stoppage of the housing projects that this banking institution was financing, we shall have an accurate notion of the magnitude of the unemployment problem in that industrial sector alone.

Before 1979, to procure an empty apartment in Guayana was a veritable odyssey. By 1981, they were virtually giving them away, both for sale and for rent; and not even any renters or purchasers could be found. The figures that we have available, which are entirely reliable, show that, last year, there were 40,000 persons without jobs in the state of Bolivar. It was also indicated that, in Guri, 4,000 workers were to be laid off, and the same thing would happen in the factories of SIDOR [Orinoco Iron and Steel Works], ALCASA [Caroni Aluminum Company], MINERVEN [Venezuelan Mining Company], Harbor and other private firms in the iron zone.

In Valencia, the ideal Venezuelan industrial area, a real disaster occurred. The cooling of the economy and the monetarist policy established by the government caused the closing of 147 companies last year alone. A total of 15,000 workers were thrown out onto the street. During the past 4 years, more than 300 business firms have closed their doors in Valencia.

Aragua, for its part, was shaken to its foundations by the crisis in the textile industry, the region's largest employer; and it was also hurt in its construction industry, and in small and medium-sized industry: in short, in its entire economic development process. It is believed that there are about 60,000 unemployed in the state of Aragua.

#### CTV Versus Government

This information on the unemployment in Guayana, Carabobo and Aragua reflects, to a greater or lesser degree, what is happening all over the country. Therefore, FEDECAMARAS puts the unemployment rate at 13 percent; which means that, out of an active population of 5 million persons (which is what Venezuela has), 650,000 are unemployed. CTV, for its part, places that unemployment rate at 14.5 percent, which, if correct, would indicate that the unemployment rose 6 percent in 1982; in other words, in that year alone, 200,000 persons joined the legion of desperate unemployed existing in Venezuela. Nevertheless, the economic analysts are more cautious, and prefer to put the unemployment rate at 11 percent, a figure which



in itself is very large; because that enormous mass of unemployed could cause us serious social upheaval.

The economically active population in Venezuela amounts to 5 million, and every year about 45,000 persons enter the job market. It is in this very group that the greatest unemployment is shown.

The government does not like to give total figures on unemployment, and it has confined itself to giving us partial data on the volume each year. Leopoldo Diaz Bruzual, president of the Central Bank of Venezuela, simply disregards these figures, and does not make them public. In this connection, the minister of CORBIPLAN, Maritza Izaguirre, remarks that in 1982 the unemployment rate stood at 7.1 percent, which is half as much as the estimates made by CTV and FEDECAMARAS. Whom should we believe? FEDECAMARAS has no interest in playing a mean trick on the government, or in coming into conflict with it. The top-ranking business agency has, rather, acted apathetically toward the government's economic policy, and has only raised a weak voice of protest when its interests have been found to be hurt. Some political interest may be noted in CTV's little figures, owing to the fact that AD controls the majority of it; but its figures must be quite close to the truth, because they differ very little from those of FEDECAMARAS. So, the specter of unemployment is traversing Venezuela, and is threatening to create very serious social upsets in the immediate future.

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